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An analysis of service quality in Ansett Australia W.A. division

Jodie R. Buckley

Edith Cowan University

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AN ANALYSIS OF SERVICE QUALITY IN ANSETT AUSTRALIA
W.A. DIVISION

by

Jodie R. Buckey

A Thesis Submitted in Partial Fulfilment of the Requirements for the Award of

Bachelor of Business with Honours
at the Faculty of Business, Edith Cowan University.

Date of Submission: 31.1.94
USE OF THESIS

The Use of Thesis statement is not included in this version of the thesis.
ABSTRACT

There is a lack of significant in-depth research, analysing service quality in the travel and tourism industry. This research attempts to contribute to the literature by analysing service quality using Ansett Australia (W.A. Division) as a case study.

The approach uses the revised 1990 SERVQUAL instrument, originally developed by Parasuraman, Zeithaml and Berry (1986) and the conceptual model of service quality. The SERVQUAL instrument and conceptual framework form the basis of the theoretical framework and analysis.

Three perspectives are considered in the analysis of service quality in Ansett Australia (W.A. Division), namely, front-line employees, management and frequent flyers. Through the case study design, Ansett Australia (W.A. Division) was found to provide services which consistently fall short of expectations. The research has implications for the organisation, the travel and tourism industry and the development of the service quality literature.
DECLARATION

"I certify that this thesis does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any institution of higher education; and that to the best of my knowledge and belief it does not contain any material previously published or written by another person except where due reference is made in the text."
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* Ms Betty Riley, Frequent Flyer Program Director, Ansett Australia (W.A. Division)

* Dr Peter Standen, Business Research, Edith Cowan University

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My family
and
Gavin
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Due to Ansett Australia's (W.A. Division) request of confidentiality, this thesis may preclude publication, unless otherwise approved by the organisation.
CHAPTER 1.
INTRODUCTION

Few organisations recognize the importance of customer service, yet services are a part of virtually all organisations (Zeithaml, Parasuraman & Berry, 1990). Why then is service quality such a problem in the 1990s? In those organisations where the quality of service plays an instrumental role, superior customer service should be the number one objective.

Service quality is essential for the survival of many organisations. A comprehensive investigation of key factors influencing the quality of service in an organisation and the assessment of customer perceptions, is the key to continual customer service improvements.

In order to investigate the degree to which excellent service quality is prevalent in a high-contact service firm, Ansett Australia (W.A. Division) was used as a case study.

Ansett Australia (W.A. Division)

Ansett Australia is jointly owned by News Corp. and TNT. The airline operates throughout Australia, with its Western Australian division servicing a number of North-West Ports (see Appendix A).

Recent organisational structure rationalisation has produced a centralised structure of operation, with all
Australian states reporting to Melbourne's head office. Ansett W.A., Eastwest and Ansett Express divisions have been abolished with the Western Australian division now marketed and controlled by Melbourne.

These changes have been prompted, in part, by the need for more efficient operations. The organisation has recently appointed international operations officers to oversee the newly established Bali route. Further expansion into the high-growth Asian region with proposed flights to "Malaysia, Thailand, Japan, Singapore, and South Korea" ("Ansett questions", 1993, p. 50) are expected within the next few years. Consideration is also being given to the trans-Tasman market.

For almost 40 years, a two airline policy system has been operating in the Australian market, with Ansett Australia and Australian Airlines (renamed as Quantas Australian) holding a "parity of market share at a minimum of 45 per cent each airline" (Adams, 1989, p. 31). This ensured maintenance of the virtual duopoly airline market.

On the 31st of October, 1989, the government deregulated the Australian airline industry. Karakaya and Stahl (1989) believe government policy presents a market entry barrier to new competitors. The absence of this government regulation increases the threat of new entrants to the market for the two established airlines and provides, a "greater incentive ... to become more efficient and responsive to customer needs" (Adams, 1989, p. 31).
According to Mr McMahon, the Managing Director of Ansett Australia, "deregulation had turned aviation into a high-volume, low-margin industry, with 75 to 80 percent of Ansett passengers on discount fares" (Lane, 1993, p. 36). Although Ansett Australia increased its operating pre-tax profit to "$59.5 million in the year to June 30, [1993'] compared with an operating loss of $91.2 million the previous year," ("Ansett turnaround," 1993, p. 42) customer loyalty is required to maintain and increase these figures.

To ensure frequent travel and increase customer loyalty, Ansett Australia introduced a Frequent Flyer Program in August, 1991. The program awards points for frequent travel with the airline, after an initial membership fee is paid and is run in conjunction with partner airlines All Nippon Airways, United Airlines, Cathay Pacific, Singapore Airlines, Austrian Airlines, Swissair and Malaysian Airlines.

Every time frequent flyers travel with Ansett Australia’s domestic airlines or international partners, use their Diners Club Card, drive an Avis Rent-A-Car or stay at one of the hotel program partners, points may be earned and exchanged for awards.

Ansett Australia claims to have the best and most extensive Frequent Flyer Program in Australia. "Ansett Frequent Flyer International Airline Partners fly to over 400 destinations (over 200 cities in North America and 70
in Europe ... 383 more than ... the competitor [Quantas Australian]." (Ansett Australia, 1993, p. 3)

Discussions with Ansett Australian (W.A. Division) management indicates the success of the Frequent Flyer Program to date (1993). The Frequent Flyer Program is difficult to measure in terms of dollars but the "extensive database of passengers ... allows the airline to tap into the attitudes and expectations of their loyal customers" ("Frequent Flyer," 1993, p. 17). The international linkages between industries and sharing of databases increases Ansett Australia's potential customer base.

Ansett Australia is becoming increasingly aware of its service quality and the importance of one of its most valued customer segments, the frequent flyer. The Frequent Flyer Program allows the organisation to "service their loyal customers, who are less worried about price and more concerned with the service and benefits they receive for their patronage" ("Frequent Flyer," 1993, p. 19).

Increasing frequent flyer patronage is critical for all divisions of Ansett Australia, but is especially important for its Western Australian division, which currently holds a virtual monopolistic position in the Western Australian airline market. The impact of deregulation and threat of new competitors is most proliferate in this region. The Western Australian division of Ansett Australia will therefore be used in a case study investigation for the analysis of service quality.
The Research Problem

This research was initiated due to the lack of significant in-depth research on service quality in the West Australian travel and tourism industry, and due to the concerns of service quality shortfalls in Ansett Australia's Western Australian division under a now deregulated market.

To address these problems, the degree to which frequent flyers, staff and management perceive Ansett Australia as providing services consistent with frequent flyer expectations and its advertised image were examined. The perceptions of staff and management were explored because the "ultimate success of the firm's total quality program is very dependent on the entire organization's [sic] understanding and response to the quality requirements of the buyer" (Cravens, Holland, Lamb. Jr & Moncreif III, 1988, p. 289).

A number of authors (Leonard & Sasser, 1982; Lewis, 1989; Lewis & Mitchell, 1990; Roderigue, 1986; Smith & Lewis, 1988; Takeuchi & Quelch, 1983) have acknowledged that, as a result of increased consumer awareness of alternatives on offer and rising standards of service created through competitive pressures and environmental awareness, consumers' expectations of quality are increasing. Goodstadt (1990) asserts, "the awareness and sophistication of customers and potential customers has grown to the extent that loyalty has to be earned and does
not come easily" (p. 87). People are becoming increasingly critical of services (Albrech and Zemke, 1985).

Ansett Australia (W.A. Division) is therefore concentrating on improving the quality of its frequent flyer service, as part of its pre-competitive strategy formulation because a mediocre service does little to help the organisation pursue a service quality ethos.

Deregulation has increased the likelihood of new competitors entering the market. To ensure frequent flyer loyalty, the organisation must accurately determine frequent flyer perceptions of the organisation, as compared to an excellent airline company. A low quality service will ultimately lead to the demise of an organisation, whereas high quality service will pave the way for a bright and prosperous future in search of service excellence.

It is management's responsibility to ensure employees communicate effectively, to determine consumers expectations and provide a service ethos in the firm that will encourage staff to exceed these expectations. Many organisations only pay lip service to this concept.

Research Question

In view of this, the research question for this thesis is:

To what extent is there a service quality gap between frequent flyer expectations and perceptions of Ansett Australia (W.A. Division)?
Service quality is "the extent of discrepancy between customers' expectations or desires and their perceptions" (Zeithaml, et al., 1990, p. 19). Customer expectations are desires of what a service provider should offer, or promise and perceptions are what the service organisation does offer. A service quality gap appears when the level of expectations do not match customer perceptions, either positively or negatively.

Subsidiary Questions

Subsidiary questions pertain to elements of the research question and include:

1. Do frequent flyers expectations of services provided by Ansett Australia (W.A. Division) differ from management’s perceptions of those expectations?

2. Is there a discrepancy between management’s perception of frequent flyer expectations and service quality specifications?

Service quality specifications or performance standards are "standards mirroring management’s perceptions of customers expectations" (Zeithaml, et al., 1990, p. 39). They signal management’s priorities and performance expectations from customer-contact personnel. These standards can be formal (eg, written) or informal (eg, verbal).
3. Do the service quality specifications in Ansett Australia (W.A. Division) differ from the service delivered to frequent flyers?

4. Is there a discrepancy between the promised service promoted through external communication and the actual service delivered?

External communication is defined by Zeithaml, et al. (1990) as "promises made by the service company through its media advertising, sales force and other communications" (p. 43).

Significance of the Study

**Ansett Australia (W.A. Division)**

Service plays an important role in the airline industry. An airline seat is a perishable product. Once the plane leaves the gates, the revenue lost on an empty seat can never be recovered. It is Ansett Australia's aim to fill these seats and therefore prevent lost revenue. This study will assist Ansett Australia (W.A. Division) recognize which service elements the customer views important, areas where expectations are not met, and which areas resources should be allocated to improve the service of the airline.

With the likelihood of new competitors entering the market, Ansett Australia (W.A. Division) is beginning to
focus attention on customers and their attitudes towards the quality of the airlines service. An informal meeting with the General Manager of Ansett Australia (W.A. Division), Mr Ron Buckey, indicated the company's interest in the research and current pre-competitive strategy formulation within Ansett Australia.

In February of 1993, the International Air Services Commission confirmed Ansett's proposal to service Singapore within the next two years. Ansett Australia is now servicing Bali and will continue to expand its operations into international markets. These international services take the airline into unknown territory where high customer service is required to compete effectively. Thus, the aspect and importance of service is proliferated with international exposure.

Earlier this year, Ansett Australia launched its new advertising campaign, presenting a new image and customer focus. Among the airlines target markets for the campaign was the frequent flyer. This study will make an important contribution to ascertain the effectiveness of the new advertising campaign, its shaping of expectations and Ansett Australia's ability to provide the service advertised.

This research will therefore play a role in the assessment of service quality in a real-life context. Service quality perceptions of a valued customer segment, the frequent flyer, will be ascertained and the service
providers perception of service quality assessed. In addition, discrepancies between the service provider and the frequent flyers perception of service quality will provide unique insights into areas for improvement.

Contribution to the Body of Literature

The 1980s was characterized by a proliferation of service quality literature. Parasuraman, Berry and Zeithaml (1988) made significant inroads into the illusive service quality evaluation process. They conceptualised a model for the evaluation of service quality and later, developed a parsimonious measurement tool, SERVQUAL (service quality) to examine the construct (Parasuraman, Zeithaml & Berry, 1985, 1986). This study will use the SERVQUAL instrument and the framework for analysing the four conceptual gaps in the model.

Several researchers have examined, adapted and applied the service quality evaluation tool, SERVQUAL, however the majority of this research has been conducted in the United States, Canada or the United Kingdom, and there has been little research conducted in Australia, examining the SERVQUAL instrument and its conceptual model. Based on a comprehensive literature search, the current investigation was found to be the first of its kind in Western Australia, both replicating the SERVQUAL instrument in the travel and tourism industry and applying the conceptual model.

This research will consider all elements of the conceptual model which have either been vaguely described
or only partially investigated in previous studies. Results will be compared to Zeithaml et al's. (1990) findings to assess the reliability of the instrument. This study may be used as the basis for future research in both the travel and tourism industry and other industries where service quality plays a pivotal role.

The importance of service quality in a deregulated environment and its importance in pre-competitive strategy formulation will be demonstrated. Thus, the research significantly contributes to the body of literature by replicating Zeithaml et al's. (1990) measurement tool and conceptual model in the Western Australian travel and tourism industry.
CHAPTER 2.
REVIEW OF THE LITERATURE

General Literature

This section describes the benefits of quality and
service quality, the nature of services is analysed,
highlighting services unique characteristics, a number of
approaches to quality are discussed, followed by a review
of the debate over the definition of service quality. The
dimensions of service quality are highlighted and
recognition of a number of patterns in the service quality
literature identified.

The Benefits of Quality

The importance of quality in the 1990s is unequivocal,
with a number of benefits ensuing. Buzzell and Wiersena
(1981) and Scoeffler, Buzzell and Heany (1974) found a
positive link between quality and return on investment.
The strategic benefits of quality also includes a
contribution to market share and return on investment
(Anderson & Zeithaml, 1984; Leonard & Sasser, 1982;

highlighted the direct and indirect costs of mediocre
quality in the service sector on revenues. Superior
quality provides a competitive advantage with "many
organisations consider [ing'] the quality of service they
provide to be a critical factor in achieving a differential
advantage over their competitors" (Lewis & Mitchell, 1990;
p. 11). McDonalds, British Airways, Sheraton Hotel, IBM, Disneyland and many other organisations have used the quality of their service as a key strategic weapon in the battle for customer patronage.

Benefits of service quality are suggested by a number of writers (Berry, 1988; Berry, Bennett & Brown, 1989; Leonard & Sasser, 1982; Hansen, Hill and Bishop, 1988; Ross & Shetty, 1985) and are cited in Lewis's (1989, p. 6) works as: "enhancing customer retention rates, attraction of new customers, higher market share, improved employee morale, lower staff turnover, fewer mistakes, insulation from price competition, lower advertising and promotion costs, lower operating costs, increased productivity, improved financial performance, and increased profitability." Services however, cannot be analysed in the same manner as goods.

**Nature of Services**

Services have a number of unique characteristics which present various problems and strategic marketing opportunities. Characteristics of services consistently cited in the literature are: intangibility, inseparability of production and consumption, heterogeneity, and perishability.

**Intangibility** of services is universally cited by authors (Bateson, 1977; Berry, 1980; Lovelock, 1981; Shostack, 1977) as unique to services. Berry (1980) describes a service as a "deed, a performance, an effort [and a good as'] an object, a device, a thing" (p. 24).
The intangible nature of a service means it cannot be touched, tasted, or seen as a material good can and although a service is intangible it may have tangible components associated with it.

The *inseparability* nature of production and consumption is frequently cited as a unique characteristic of services (Berry, 1980; Booms & Bitner, 1981; Zeithaml, 1981). As Berry (1980) recognizes, "goods are produced, then sold, then consumed. Services ... are usually sold first, then produced and consumed simultaneously" (p. 24).

The requirement for the customer to be present during the production of services (for example, a haircut) means there is a high interaction component between the service provider and consumer (Gronroos, 1978). The delivery of service and the how of service distribution becomes important, especially in labour-intensive firms.

Services are less uniform than goods and the *heterogeneous* nature of services allows for high variability in performance of services. "The quality and essence of a service can vary from producer to producer, from customer to customer, and from day to day" (Zeithaml, Parasuraman & Berry, 1985, p. 34). The variability of service output differs between people-based and equipment-based firms. People-based firms tend to be less standardized and uniform and therefore greater variability in service performance is present as consistency of behaviour is difficult to control. The introduction of the
automatic-teller machine (ATMs) is an example of efforts to reduce the variability in service delivery.

The perishability of services means they cannot be inventoried and stored for a later date (Bateson, 1977; Donnelly, 1976; Sasser, 1976; Thomas, 1978). The cost of an empty airline seat and restaurant table can never be recovered. The control of supply and demand in services is therefore important to prevent lost opportunities and the seeking of new ones.

Although considerable research has been conducted on the nature of services and classificatory schemes, there has been a lack of academic investigation into the definition and modeling of quality due to the nature of services and measurement of the construct.

**Definition of Quality**

Quality is an elusive term which is not easily articulated by the consumer (Takeuchi & Quelch, 1983). David Garvin (1984, p. 26) identified five approaches to the definition of quality in the goods sector.

1). The "transcendent or philosophic approach": quality is beauty, excellence, and a person must be exposed to objects that display innate excellence.

2). The "product-based" approach: Measurable attributes, it is precise, and more of some attribute implies it is better. Higher quality is therefore obtained at a cost, or it is built into the products attributes and therefore cannot be assessed objectively.
3). The "user-based" approach: The highest quality lies in those goods which satisfy customer needs.

4). The "manufacturing-based" approach: Quality is defined by meeting specifications and requirements. The focus is internal, although the customer is satisfied through specifications being met.

5). The "value-based" approach: This is the typical 'value for money' ideology. A quality product is one which conforms to its intended use and is sold at an acceptable price.

Crosby (cited in Parasuraman, et al., 1985, p. 41) takes the manufacturing-based view of "conformance to requirements", while Maister (1982) felt quality is judged by customers as a comparison of what they expect to receive, to their perception of what they do receive. Although each of the approaches described have their merits and drawbacks, the user-based approach is the most widely adopted in the services sector. Quality is a subjective judgement and it is the customers assessment of quality that really counts.

**Definition of Service Quality**

Quality, as applied to the services sector, involves perceived service quality. Zeithaml (1987) is quoted by Parasuraman, Zeithaml and Berry (1988, p. 15) as claiming that; perceived service quality is "the consumer's judgement about an entity's overall excellence or superiority." It differs from objective quality, is a form
of attitude, and relates to satisfaction, in that they both compare expectations and perceptions of the service performance.

**Objective vs Perceived Quality**

Objective quality describes the technical superiority of products (Hjorth-Andersen, 1984; Monroe & Krishnan, 1985). It is a measurable ideal standard. Holbrook and Corfman (1985) distinguish between mechanistic (objective) and humanistic quality: "mechanistic [quality] involves an object, aspect or feature of a thing or event. Humanistic [quality] involves the subjective response of people to objects." (p. 33). Objective quality looks at events from an impartial unbiased viewpoint, without the interference of subjective judgements.

The difference between objective and perceived quality has been emphasised by a number of writers (Dodds & Monroe, 1984; Holbrook & Corfman, 1985; Parasuraman et al., 1985). Perceived quality parallels Garvin's (1984, p. 26) "user-based" approach, while objective quality closely relates to the "product-based" and "manufacturing-based" (p. 26) approaches. Objective quality is argued by Maynes (1976) to be nonexistent due to the presence of subjective judgements with any overall evaluation. Objective quality therefore differs from perceived quality in that, one is supposedly an impartial view, while the other is an introspective response.
Satisfaction v's Service Quality

There has been considerable debate in academic circles over the difference, if any, between satisfaction and perceived quality and which is the most appropriate in the services sector.

Oliver (cited in Parasuraman et al., 1988, p. 16) defines satisfaction as a "summary psychological state resulting when the emotion surrounding unconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience." This is supported by a number of writers (Andreason, 1977; Day, 1977; Oliver, 1977, 1981; cited in LeBlanc, 1992) who view satisfaction as a subjective comparison between expected and perceived product attributes. The level of satisfaction is dependent on the quality of attributes and a number of variables affecting the user of the service (Crompton & Mackay, 1988).

Most measures of satisfaction relate to a specific transaction (Howard & Sheth, 1969; Hunt, 1979; Lewis & Mitchell, 1990). A customer may be satisfied with the level of service they received at a hotel on one occasion, but do not feel that the service was of high quality. A customer may be satisfied even when the overall evaluation of service quality is mediocre.

Parasuraman et al. (1988) summarize the difference between the two terms: "perceived service quality is a global judgement, or attitude, relating to the superiority of the service, whereas satisfaction is related to a
specific transaction .... incidents of satisfaction over time result in perceptions of service quality" (p. 16).

Kasper and Lemmick (1988) and Lewis and Klein (1987) are cited in Gilmore and Carson (1992, p. 6) as asserting "satisfaction and quality are different, and that it is perceived service quality which will affect consumer satisfaction." On the other hand, Nguyen (cited in Gilmore & Carson, 1992, p. 6) found a "strong correlation" between the two terms, concluding they measure the same thing. Other researchers found mixed results. Little agreement is therefore apparent on their differences.

Cadotte, Woodruff and Jenkins (1987) and Woodruff, Cadotte and Jenkins (1983; cited in Brown & Swartz, 1989, p. 93) suggest "experience-based norms are more appropriate than expectations to serve as a benchmark against which product experiences are compared." They propose, there is a zone where a customer is neither satisfied nor dissatisfied. This zone applies to both satisfaction and service quality. Service quality however is a more complex evaluation which involves both expectations and perceptions.

Service quality is "the ability of the organization [sic] to meet or exceed customer expectations" (Gilmore & Carson, 1992, p. 5). Zeithaml et al. (1990, p. 19) defines service quality as the "extent of discrepancy between customers' expectations or desires and their perceptions." Perceived service quality is therefore a subjective
judgement resulting from comparison between expectations and perceptions.

The previous sections have defined perceived service quality and described the distinction between the term and objective quality. Objective quality was seen as an impartial view, which is non-existent due to the use of subjective judgement in all responses. Perceived service quality is described as a subjective belief that is used in an overall evaluation. In addition, the difference between the terms satisfaction and service quality were outlined. Satisfaction was concluded as situation specific, leading to service quality over time.

Although these two notions (satisfaction and service quality) are different, Oliver and Desarbo (1988, cited in Crompton & Mackay, 1988, p. 368) suggests, they both draw on the "expectancy, disconfirmation paradigm for their theoretical basis."

Expectations and Perceptions

Most scholars would agree that quality and satisfaction are concerned with the difference between expectations and perceptions (Gronroos, 1982, 1984; Holbrook & Corfman, 1985; Lehtinen & Lehtinen, 1982; Parasuraman, et al., 1985, 1988; Sasser, Olsen & Wyckoff; 1978).

Expectations, as used in the service quality literature are the "desires or wants of consumers ... what they feel a service provider should offer, rather than
would offer" (Parasuraman et al., 1988, p. 17). This normative approach has also been expressed by various writers, as identified in Boulding, Kalra, Staelin and Zeithaml (1993).

Miller (cited in Gilmore & Carson, 1992, p. 5) argues expectations might include "ideal, expected, deserved and minimum tolerable." The level at which customers evaluate a service is important to ensure acceptable service levels are provided. Parasuraman, Zeithaml and Berry (1991) support this view identifying a zone of tolerance between desired and adequate service levels. A service provider must operate at or near this desired level of service. A satisfied evaluation on one occasion however, does not necessarily result in high quality.

As a result of consumer comparisons of expectations and perceptions, the service organisation needs to know the resources and activities under the control of and outside the immediate control of the firm which impact on these variables (Gronroos, 1982, 1984).

From extensive focus group interviews Zeithaml et al. (1990, p. 19) identified a number of factors, namely "word-of-mouth communications ... personal needs ... past experience ... and external communications" which influence customers expectations:

1). "Word-of-mouth communications" can influence expectations by friends and family recommending the service organisation. Consumer dissatisfaction with service can rapidly damage a company's reputation. Numerous studies
indicate, a customer will tell only a handful of people about good service, but will tell more than twenty about bad service. Word-of-mouth communications shape individuals expectations. In Brown and Reigen's (1987) study of network analysis and word-of-mouth referral behaviour, they demonstrated the importance of developing a service religion within the organisation. One dissatisfied customer will influence many other individuals expectations of the organisation.

2). "Personal needs" was felt to influence customers' expectation levels because their individual needs and circumstances provided differing expectations.

3). "Past experience" also influences customers expectation levels. For example, "more experienced participants in the securities-brokerage focus groups ... seemed to have somewhat lower expectations regarding brokers' behavioural attributes ... they however, appeared to be more demanding with respect to brokers' technical competence and effectiveness" (Zeithaml et al., 1990, p. 19).

4). "External communications" is the final element shaping customers' expectations. These external communications or networks carry information from within to outside the organisation. External communication such as advertisements, make promises to the customer which the organisation and its employees are expected to provide. It also indicates to employees how they should behave, which must be supported by adequate reward structures and service
quality specifications. Price is subsumed under the influence of external communication.

The elements upon which consumers base their expectations of a service are supported by Gronroos (1982, 1984) and Lewis (1989).

To reiterate, service quality differs from objective quality because it is based on the consumers subjective attitude towards a service. Service quality is related but not identical to the satisfaction construct, in that, "almost all definitions of satisfaction relate to a specific transaction, while an attitude [service quality'] towards a product [or service'] is a much more enduring characteristic and is less situationally oriented" (Lewis & Mitchell, 1990, p. 12).

The two notions are related however because they are both based on the difference between expectations of a service and its actual perceived performance. These expectations are influenced by "word-of-mouth communications ... personal needs ... past experience ... and external communications" (Zeithaml et al., 1990, p. 19).

Methods can be devised to monitor consumers' expectation levels, however the criteria customers use in evaluating the quality of a service must be explored.

Service Quality Dimensions

Explicit service quality investigations began with Sasser, et al. (1978). The writers examined three
dimensions of service quality; materials, facilities, and personnel. The interaction of this trichotomy implies, customers evaluate service quality based on both the outcome of the service and its delivery.

This notion was later reiterated in Gronroos (1982, 1984) works. Gronroos identified two dimensions of service quality, namely, technical (or outcome quality) and functional (or process-related) quality. Technical quality refers to what the customer receives from interaction with the firm, while functional quality is the way in which the service is received and delivered during simultaneous production and consumption of the service (eg, attitudes of personnel, ambience of the restaurant). These two basic quality dimensions together, influence the corporate and/or local image of the firm.

Lehtinen and Lehtinen’s (1982, 1991) works closely equivalent to Gronroos (1984) dimensions. Corporate quality is believed to be highly distinguishable, therefore justifying its own dimension. Three service quality dimensions are proposed: Firstly, physical quality, including the physical product and physical support enabling production of a service (eg, equipment, buildings, environments and instruments). This is compared to Sasser et al’s. (1978) material and facilities dimensions and Gronroos (1982, 1984) technical quality, and in part his functional quality dimension. Secondly, interactive quality, which derives from the interaction between the customer and elements of the service organisation and
between customers interaction with other customers. Corporate quality is identified as the third dimension. It is more stable than physical and interactive quality, occurring continuously, incrementally and intangibly.

Lehtinen and Lehtinen (1982, 1991) developed their three dimensional approach to a higher level, dividing service quality into process and output quality. They consider process quality as a personal, subjective judgement made during service delivery and output quality as a consumers' evaluation of the result of the service production process. Qualitative empirical evaluations of the writers' three dimensions, using three restaurants in a clinical case study support the use of these dimensions in the context of restaurants.

Lehtinen and Laitamaki (1984) identified three major determinants of service quality (Institutional quality, or corporate quality; physical quality and interactive quality). These criteria parallel Lehtinen and Lehtinen's (1982, 1991) dimensions. Other writers (Armistead, 1989; Brown, 1988) have used a combination of existing dimensions in their research examinations.

Based on a number of conceptual models of service quality (Gronroos, 1984; Lehtinen & Laitamak, 1984; Parasuraman et al., 1985), Leblanc and Nguyen (1988) formulated a conceptual model using five dimensions to evaluate service quality; corporate image, which refers to the name of the business, reputation, prices, access to service; internal organisation, which considers instruments
and staff not visible to the customer but still an essential part of the organisations operations (eg, technology, support services; physical environment and instruments, which includes the tangible elements of the organisation and its ambience (eg, decor, atmosphere); service encounter, deriving from customer/staff interactions, including appearance of staff, competence, reliability, confidentiality and service procedures; and customer satisfaction, which refers to the outcome of the process, and comparison of expectations with the performance of the service provider.

An exploratory investigation of the service quality determinants in financial institutions, among a sample of 2500 people in New Brunswick resulted in empirical findings supporting the model and existing literature.

Edvardsson, Gustavsson and Riddle (1989) combine elements of previous researchers (Gronroos, 1982, 1984; Lehtinen & Lehtinen, 1982, 1991) to derive four aspects of quality influencing customers' perceptions; technical quality, including skills of the service personnel and design of the service system; integrative quality, which refers to the synergistic interaction of service delivery systems; functional quality, resulting from service delivery efforts to the customer (eg, style, environment and availability; and outcome quality, deriving from the service meeting standards or specifications and customer expectations.

Based on earlier works (Gronroos, 1982; Lehtinen &
Lehtinen, 1982; Sasser et al., 1978), and a comprehensive qualitative investigation, Parasuraman et al. (1985) derived probably the most recognised service quality dimensions. They suggested, customer expectations and perceptions of service quality are evaluated by ten dimensions; tangibles, reliability, responsiveness, communication, credibility, security, courtesy, competence, access and understanding/knowing the customer (See Appendix B for definitions of each dimension).

Further testing and factor analysis produced five condensed dimensions from the original ten, which characterize the SERVQUAL scale. Parasuraman et al’s. (1990) dimensions include:

1). Tangibles: Physical facilities, equipment, and appearance of personnel
2). Reliability: Ability to perform the promised service dependably and accurately
3). Responsiveness: Willingness to help customers and provide prompt service
4). Assurance: Knowledge and courtesy of employees and their ability to inspire trust and confidence
5). Empathy: Caring, individualized attention the firm provides its customers. (p. 26)

Gronroos (1990) has recently added a sixth dimension, recovery, which is the efforts made by the organisation and their personnel to give special attention to the customer
if something goes wrong, or unexpected mishaps occur.

Analysis of the literature on service quality reveals a number of patterns:

1). Service quality is more difficult to evaluate than goods quality. The dimensions used to evaluate service quality may therefore prove to be a greater challenge for the marketer to comprehend.

2). Consumer perceptions of service quality results from a comparison of expectations and actual experiences with the service. If service expectations are met, the service is perceived to be satisfactory. If expectations are not met, less than satisfactory.

3). Customers evaluate service quality on both the outcome and service delivery or process. The manner in which the service is delivered can be crucial in the customers' assessment of the service. This is the "moment of truth" (Bitran & Hoech, 1990).

Customer-contact personnel (or front-line staff) provide the link between the organisation and the customer. For most services, production and consumption occur simultaneously and the customer is involved in the production process. To the customer, front-line staff are the company.

4) Service quality may be of two types. There is the regular quality level received by customers and the quality level at which problems are handled. Perceived service quality must be strong on both counts. The service should be performed right the first time but by "performing the
service very right the second time—the company can significantly improve customer-retention rates" (Zeithaml et al., 1990, p. 31).

5). When a problem appears, a low contact service firm rapidly becomes a high contact firm.

6). The only criteria important to the evaluation of service quality is that defined by customers. In Peters (1985) words, "the consumer perceives service in his or her own unique, idiosyncratic, end-of-the-day, emotional, irrational and totally human terms ... there is no such thing as fact and reality. There is only what the customer thinks is reality." (p.29)

Literature on Methodology

The SERVQUAL instrument developed by Parasuraman et al. (1986, 1988) was used in the analysis of service quality. Its development and subsequent testing show good reliability and validity measures. The research conducted by Parasuraman et al. (1985, 1986) to develop the SERVQUAL instrument, its dimensions and theoretical investigations consisted of two distinct phases: An exploratory qualitative phase and an empirical quantitative phase. Refer to Appendix C, for a detailed discussion of the development of the SERVQUAL instrument.

The SERVQUAL instrument consists of an expectations and perceptions section with 22 items spread across the five dimensions (tangibles, reliability, responsiveness,
assurance and empathy; as previously defined). The dimensions, assurance and empathy contain items representing communication, credibility, security, competence, courtesy, understanding/knowing customers and access. These dimensions failed to remain distinct after scale purification. The SERVQUAL scale therefore contains a condensed form of the elements of the original ten dimensions, conceptualised in the service quality model.

Reliability and Factor Structure Assessment

"The reliability of a measure indicates the accuracy with which the instrument is measuring the concept" (Sekaran, 1989, p. 157). Parasuraman et al. (1988) presents a table of component and total reliability values for the SERVQUAL scale across four samples. All reliabilities across the four service firm samples are high with the possible exception of tangibles. The total-scale reliability is extremely high however, at .9 in each of the four samples. This indicates high internal consistency.

Across the four independent sets of sample results, the factor loadings overall pattern follow a similar pattern. Relatively low intercorrelations of the five dimensions (factors) were apparent with "the average pairwise correlations between factors ... were .21, .24, .26, and .23 for the bank, credit card, repair and maintenance, and long-distance telephone samples respectively" (Parasuraman, et al., 1988, p. 24).

The first stage data set (34-item scale with the seven
dimensions) were re-analysed to ensure the reliability and factor structure of SERVQUAL measured the concept area. Analysis after the deletion of the twelve items (second stage) reconfirmed the SERVQUAL scales high reliability.

From Parasuraman et al's. (1991) refinement and reassessment of the multiple-item SERVQUAL scale, additional reliability and factor structures were computed to ensure refinements made to SERVQUAL improved its reliability and cohesiveness of items.

The perceptions minus expectation gap score was high across the samples. This was supported by the internal consistency/rationale equivalence reliability within the five dimensions. The items were found to be more cohesive because all of the factor loading matrixes (oblique rotation) alpha values were consistently higher than Parasuraman et al's, (1988) testing. Therefore, the refinement of the scale had proven to be worthwhile.

As a result of loadings and factor analysis, a number of conclusions were drawn:

(1) tangibles, which was undimensional in the original scale, splits into two sub-dimensions in the revised scale—one pertaining to physical facilities/equipment and another pertaining to employees/communication materials;
(2) the degree of overlap among dimensions ... is somewhat higher in the revised scale; and
(3) responsiveness and assurance are virtually
indistinguishable in the five factor solutions ... they do seem to be distinct in the six-factor solutions" (Parasuraman et al., 1991, p. 43).

Although there is a higher inter-dimensional overlap in the 1991 refined scale, it still reflects SERVQUAL's five dimensions in the original scale, with the exception of the tangibles dimensions (dividing into two dimensions).

Additional support for treating the dimensions responsiveness and assurance as two distinct dimensions was examined by computing paired sample t-tests for the weighting of the relative importance of the SERVQUAL dimensions. The allocation of 100 points across the five dimensions was virtually identical for the various customer samples, therefore implying the SERVQUAL dimensions are consistent across a number of service settings.

**Validity Assessment of the SERVQUAL Scale**

Validity is "the degree to which a test measures what it is supposed to measure" (Gay & Diehl, 1992, p. 156). The reliability of a scale contributes to its validity. Campbell (1960) and Peter (1981; cited in Parasuraman et al., 1988, p. 28) suggest SERVQUAL's high reliabilities and consistent factorial analysis across the four samples indicate good "triad validity." The reliability of the scale does not however determine the degree to which a scale measures the construct it was intended to measure.

A number of validity measures were therefore
conducted, including assessment of the scales factorial, content and convergent validity. In addition, a number of studies have examined the psychometric properties of the SERVQUAL scale, which largely confirm the scales good validity structure.

The scales factorial validity was shown to be tested throughout the SERVQUAL scales development. Sekaran (1984) defines factorial validity as "the use of factor-analytic techniques, this ... is a pure measure of some specific factor or dimension" (p. 157). The condensing of the 97-item scale to a more parsimonious 22-item scale demonstrates the use of factor analysis to develop a more manageable number of scale items.

The content validity of the scale was identified throughout the instruments development. Content validity is "the degree to which a test measures an intended content area [requiring'] ... both item validity and sampling validity" (Gay & Diehl, 1992, p. 157). Parasuraman et al. (1988) assessed the content validity of the scale examining two aspects; "(1) the thoroughness with which the construct to be scaled and its domain were explicated and (2) the extent to which the scale items represent the construct's domain." Content validity is assessed by expert judgement. From evaluation procedures in the development of SERVQUAL and based on the considerable experience of the authors, they deemed it to be "content valid" (Parasuraman et al., 1988, p. 28).

Convergent validity, which is the extent to which "two
different measures measuring the same concept are highly correlated" were identified (Sekaran, 1984, p. 157). This was examined by using SERVQUAL scores and the responses to a question on the overall quality rating of the firm (excellent, good, fair or poor) the customer was evaluating.

Using Duncan’s multiple range test, significant ANOVA results were analysed, identifying significant differences across the overall categories. Results suggest a strong "linkage between the overall Q [quality'] categories and the SERVQUAL scores across four independent samples offer strong support for SERVQUAL scores convergent validity" (Parasuraman et al., 1988, p. 30).

A further assessment of SERVQUAL's validity was made to test if the "construct measured by it was empirically associated with measures of other conceptually related variables" (Parasuraman et al., 1988, p. 30). Two questions concerning whether the respondent would recommend the service firm and if they had reported any problems with the service firm were asked from the samples. This process supported the writers beliefs and increased the scales validity.

In Parasuraman et al’s. (1991) reassessment of the SERVQUAL scale, a number of validity measures differing from the original (1986) version were identified. The revised SERVQUAL scale calculated the overall service quality score on a ten-point scale, was regressed on the SERVQUAL gap score and resulted in a high degree of
convergence supporting the scales construct validity.

In addition to the empirical measures using questions relating to recommendations and reporting problems used in Parasuraman et al. (1988), the revised 1991 assessment considered if the problem had been resolved to the customers satisfaction. Results indicate statistical significance which provides support for the revised SERVQUAL scale.

Thus, through a number of tests conducted by the authors the SERVQUAL scale was deemed to have good reliability and validity. Dimensions were concluded as relatively distinct with high alpha coefficients resulting. The scales factorial, content and convergent validity support the accurate measurement of the concept.

Four recent studies have also analyzed the scales psychometric properties (Babakus & Boller, 1991; Brensinger & Lambert, 1990; Carman, 1990; Finn & Lamb, 1991; cited in Parasuraman et al., 1991). A comprehensive table in Parasuraman et al’s. (1991) works, comparing the details of each study, areas of agreement and unresolved issues to be addressed are presented. Findings from the replication studies investigating the psychometric properties of the scale "provide consistent support for the reliability, face validity/concurrent validity for the SERVQUAL scores on the five dimensions" (Parasuraman et al., 1991, p. 444). Mixed results on the convergent validity and discriminant validity were also found. On the whole, researchers agree that the scale has good
reliability and validity measures.

The Development of the Conceptual Model of Service Quality

Additional studies on the gaps in Parasuraman et al.'s (1985) conceptual model of service quality consisted of two distinct phases: An in-depth investigation and an empirical study.

In-Depth Investigation

Based on insights gained from the exploratory study, a comprehensive case study of a nationally known bank was conducted. Three of the banks regions, with at least 12 branches each, were selected as the unit of analysis. Individual and focus group interview were conducted with management and employees from various levels of the organisation.

Top and middle level managers responded to open-ended questions and seven focus group interviews were conducted with customer contact personnel. In addition, the managers responsible for customer communications (advertising), the president and creative director were interviewed.

Systematic group interviews with eleven senior managers of six nationally known service firms in the United States were then analysed to verify and generalize factors contributing to the four conceptual gaps in the model. The six service firms consisted of two full-service banks, two insurance companies, and two telephone companies. The various stages were then combined with
"relevant marketing and organizational [sic] behaviour literature and developed a classification of the main factors responsible for each of the four gaps" (Zeithaml et al., 1990, p. 48).

**Empirical Study**

An empirical study was conducted to investigate antecedents of Gaps 1 to 4. A total of 1,936 customers, 728 contact personnel, and 231 management responded to a mail survey from five nationally known companies. The companies studied included, two insurance companies, two banks, and one long-distance telephone company. The instrument used in the survey is presented in Appendix A and B of Zeithaml et al's. (1990) works.

This instrument is replicated in the current study, however it should be noted that the developers of the SERVQUAL instrument have not subjected the gaps instrument to the same degree of testing and refinement as the SERVQUAL instrument, due to its recent development. Further, items contained in the instrument were based on insights gained from the exploratory investigations previously described and are confirmed in a number of subsequent investigations. The instrument is therefore deemed to have good reliability and validity.
CHAPTER 3.
THEORETICAL FRAMEWORK

The theoretical framework used in this study is the conceptual model of service quality, developed by Parasuraman et al. (1985). Through exploratory investigations, the writers identified four key gaps which contribute to a deterioration of quality service. These four gaps together, influence the degree to which customers and service providers perceive service quality shortfalls (Gap 5). Gap 5 is defined as "the potential discrepancy between the expected and perceived service from the customers' standpoint" (Zeithaml et al., 1990, p. 36). The model considers both the customers' and providers' perspective in a dyadic interaction.

An outline of the 4 conceptualised gaps, their underlying causes and their interlinking nature follows:

**Gap 1: Customers' Expectations v's Management Perceptions**

Zeithaml et al. (1990) defines gap 1 as, "the difference between what customers expect and what management perceives they expect" (p. 51). Service firm managers may not always recognise customers expectations from the service organisation. Key features essential for customers' perception of service quality may therefore be overlooked. The organisation may also provide services that do not meet the requirements (or expectations) of the
customer. This discrepancy leads to the formulation of gap 1.

In Zeithaml et al’s. (1990) works, the authors identified three conceptual factors pertaining to gap 1, namely, marketing research orientation, upward communication, and level of management (refer to Appendix D for definitions of these terms). If any of these factors are insufficient or inhibited in the organisation, the ability of management to extract information pertaining to customers’ expectations is diminished.

Senior management’s inaccurate understanding of customers expectations may result in a service that is perceived by customers as inconsistent with their expectations (opening gap 5). A requisite for improving service quality is for management to obtain reliable information on customers’ expectations (therefore closing gap 5). Gap 1 directly relates to subsidiary question 1 in this study.

Gap 2: Management’s Perception of Customer Expectations – Service Quality Specifications Gap

Once management obtain accurate information on customers expectations of service quality, they must transform this information into service quality specifications (service quality specifications was previously defined). These specifications, or performance
standards, are based on managements' perceptions of customers' expectations.

Management may have problems in transforming customers' expectations into specifications. This may be due to a number of constraints (for example, a lack of management commitment to changing service systems). If management are unwilling, or unable, to meet customers expectations through designing appropriate service quality specifications, perceived service quality will diminish (widening gap 5).

A number of factors defined by Zeithaml et al. (1990) which contribute to gap 2 are; management commitment to service quality, perceptions of feasibility, task standardization and goal setting (refer to Appendix D for definitions of these terms). The absence of these factors will widen gap 2 and in turn gap 5. Gap 2 is inherent in subsidiary question 2.

Gap 3: Service Quality Specifications - Service Delivery Gap

Although management may understand customers' expectations and accurately transform these into service quality specifications, the service delivered may still fall short of customer expectations.

Service firms recognise the vital role front-line staff play in their organisation. Moderation and standardisation of service delivery is difficult due to the
inherent nature of services, and service quality specification systems (either formal or informal) may not be reflected in the service delivery. Front-line personnel may be either unwilling or unable to maintain service quality specifications outlined by management.

Key factors contributing to gap 3 are identified by Zeithaml et al. (1990, p. 91) as role ambiguity, role conflict, poor employee-job fit, poor technology-job fit, inappropriate supervisory control systems, lack of perceived control and lack of teamwork (Refer to Appendix D). These factors, (if inadequate), contribute to gap 3 and the widening of the discrepancy between service expectations and perceptions (gap 5). Gap 3 directly relates to subsidiary question 3.

Gap 4: Service Delivery - External Communications to Customers Gap

Gap 4 is defined by Parasuraman et al. (1985) as "the gap between actual service delivery and external communications about the service" (p. 46). External communications, as previously outlined, influence customers' expectations of the service organisation. Accurate information must be communicated by the service provider to the customer, for the customer to perceive high service quality.

Factors impacting on the size of gap 4 are, horizontal communications and propensity to overpromise (refer to
Appendix D for definitions). Effective communication lines must be established within the organisation to ensure all departments are aware of company advertising. Ineffective communication within the organisation, or the unrepresentative reflection of the service encounter to the customer may result in customers' perceptions of low service quality (widening gap 5). Gap 4 parallels subsidiary question 4.

To reiterate, there are 4 gaps or shortcomings which may inhibit the service organisation's ability to deliver quality service. Gap 1, is the potential discrepancy between customers' expectations and managements' perception of customers' expectations; Gap 2, is the difference between managements' perceptions of customers' expectations and service quality specifications; Gap 3, is the discrepancy between service quality specifications and the service delivered; while Gap 4, is the differences between the service delivered and the external communication customers receive. Appendix F presents this concept in a diagramatic form.

Closure of gaps 1 to 4 contributes to the closure of the gap between customers' expectations and perceptions (gap 5). Gap 1 and 2 pertain to managerial gaps, while Gaps 3 and 4 represent front-line staff's performance shortfalls. It is the organisations aim to close these gaps, therefore providing a service which meets customers' expectations.
Intrinsic in this model are the ten dimensions of service quality influencing customers expectations and perceptions. The SERVQUAL tool incorporates these dimensions (factorizing them into 5 distinct dimensions) from both the customers' and providers' perspectives. In addition, statements pertaining to the 4 gaps have been developed by the originators of the conceptual model. These statements are framed in order to "empirically examine the association between the gaps and their proposed antecedents" (Zeithaml et al., 1990, p. 49). Thus, the SERVQUAL questionnaire and the approach used to measure the conceptual gaps serves as a useful framework for comprehending, measuring and improving the level of service quality in the organisation.

Like all theoretical frameworks, a number of benefits and limitations are inherent in the process of evaluation. These benefits and limitations serve to either improve the investigation or hinder its development.

Benefits and Limitations of the Theoretical Approach

A number of benefits and limitations are inherent in using the conceptual model of service quality (Gap analysis) and the SERVQUAL measurement tool. Benefits include; simplicity of the approach; identification of inconsistencies within the organisation; valuable insights; a foundation for improving service quality and adaption of the construct and measurement tool to various service settings.
Researchers have advocated the use of the gap analysis (Brown & Swartz, 1989; Headley & Choi, 1992). They identified the simplicity in approach and ease of adaption to a number of service settings. Findings from the research are key indicators of inconsistencies between the customers' and providers' perception of service quality. Management may use this feedback to gain valuable insights into service quality shortfalls and recognise employee service efforts.

Through examining the gaps impacting on the organisation the overall quality of service, as perceived by customers, can be explored. Key dimensions that are important to customers and areas where the service provider fails to satisfactorily meet expectations can be uncovered. Improvement methods may then be developed, prioritising elements of service quality.

The SERVQUAL instrument is a skeleton of expectations and perceptions which may be adapted to various service settings for a number of purposes, namely:

1). The comparison of customers expectations and perceptions over a period of time
2). Comparison of SERVQUAL scores with key competitors
3). Segmentation of customers into a number of service-quality segments
4). Assessment of internal customers service quality perceptions
Although SERVQUAL is an extremely flexible, reliable and valid tool, a number of authors have found problems in its practical application. Many of the limitations and criticisms of the research tool have been addressed by the developers of the approach, resulting in a number of resolutions. The criticisms include; the assessment of the most important dimension, the use of negatively worded statements, the 7-point likert scale as a measurement device, the adjectives used in the scale, separation of the expectation and perception sections of SERVQUAL and the length of the instrument.

Lewis and Mitchell (1990) criticised the tool's inability to distinguish the most important dimensions from the least important dimensions. In recognition of this problem, Zeithaml et al.'s. (1990) works incorporated a weighted importance scale where the customer allocates 100 points among the five SERVQUAL dimensions. Statements pertaining to the most, second most and least important dimensions, (as perceived by the customer) are then recorded. The constant-sum scaling device forces respondents to compare dimensions, therefore providing insights into their relative importance.

In the original SERVQUAL scale, half of the statements were worded positively and half negatively. Lewis and Mitchell (1990) argue that, consumers get confused with "double negative questions." This is supported by Smith (cited in Lewis & Mitchell, 1990, p. 15) who asserts, "if
given time to work out the logic then consumers will make
the correct response, but with a minimum of 44 scales, half
of which are seemingly repeated, respondent interest may
wane resulting in completion errors'."

Fick and Ritchie (1991) recognise past researchers
observations of a systematic bias in the use of negatively
worded statements. This indicates the respondents tendency
to respond systematically in the affirmative in survey
situations.

The developers of the scale responded to this
criticism and recommendations made by Babakus and Boller
(1991) and Carman (1990), who experienced problems with
negatively worded statements in their research. Based on a
pre-test questionnaire distributed in Parasuraman et al's.
(1991) refinement and reassessment of the SERVQUAL scale,
they found a high variability on negatively, as opposed to
positively worded statements. Management believed
negatively worded items were meaningless. Consistently low
reliability coefficients on the responsiveness and empathy
dimensions (which contained the negatively worded items)
were apparent.

Parasuraman et al. (1991, p. 437) demonstrated that
changing the negatively worded statements increased the
reliability of the scale. High reliability coefficients
(‘0.80 to 0.93’) were reported which were both higher than
other SERVQUAL studies and the authors 1988 works (0.52 to
0.87).
Lewis and Mitchell (1990) and Fick and Ritchie (1991) found, the 7-pt likert scale to be "restrictive." They believe subtle variations may exist in consumers expectations and perceptions. For example, a consumer’s opinion may fall between point 5 and 6. The scale doesn’t allow for this, no decimal place responses are accepted.

Lewis and Mitchell (1990) recognise that the choice of adjectives in the SERVQUAL scale may be unclear to the respondent. For example, "up-to-date" (p. 15) equipment can refer to equipment that is futuristic or before its time. They suggest the use of bipolar semantic differential scales which uses adjectives, descriptive of each statement. Difficulties also arise with this scale however. Representative bipolar adjectives need to be found for each statement and respondents often need many examples to overcome comprehension difficulties.

Alternatively, graphic positioning scales which measure, the distance between expectations and perceptions may be used. This method is extremely costly and time consuming and is therefore unfeasible for the budding researcher. The disadvantages inherent in the bipolar semantic differential scale and the graphic positioning scale do not present feasible alternatives to the agree/disagree likert scale used in SERVQUAL.

A further criticism is the use of difference scores (perceptions minus expectations) used in Parasuraman et al’s. (1990) works. Teas (1993, p. 34) conducted a study
to investigate the degree to which the framework is "characterised by discriminant validity with respect to other expectation concepts in marketing." He found a number of discriminant validity shortcomings, concluding, "the use of the (P - E) service quality framework is inappropriate ... and misleading" (p. 50).

Cronbach and Furby (1970) and Johns (1981; cited in Fick & Ritchie, 1991, p. 5) have raised concern over the difference scores computation regarding the "reliability, systematic correlation of the construct with its components, and systematic relationships to any random error of measurement." The issue of random error of measurement has also been recognised by Teas (1993), in his comparison of various studies reliability co-efficients.

Carman's (1990) evaluation of the SERVQUAL factor structure, questions the practical significance of the expectations section. He recommends, expectations should be measured when consumers have little or few expectations and assumed to be zero.

Prakash (cited in Parasuraman et al., 1991) believes the difference scores may have low reliability and validity which is echoed by Babakus and Boller (1991) and Carman (1990). Findings from a number of replication studies, however, suggest adequate reliability.

In Parasuraman et al's. (1991) assessment of the scale, they addressed this problem by suggesting alternative direct measurement approaches which may be more appropriate in examining the perceptions - expectations
difference. Although the originators of the SERVQUAL instrument suggest further research is necessary to address these issues, they point out that, "evidence from the replication studies does not fully endorse the two-part measurement approach [but'] it does not suggest abandoning the approach either." (Parasurman et al., 1988, p. 444)

The length of the instrument is an additional problem. The instrument incorporates 44 expectation and perception statements, five importance rating statements and three additional importance questions. The originators of the instrument recognise the extensive length of the instrument, but have not encountered problems with its use.

A number of benefits and criticisms of the SERVQUAL instrument have been reviewed. While the majority of criticisms are well founded, the originators of the instrument have overcome or addressed many of these problems in their 1991 works and few valid criticisms of the scale remain.
CHAPTER 4.
PREVIOUS STUDIES

There has been little significant research conducted on service quality in the travel and tourism sector (Fick & Ritchie, 1991). Researchers have noted the lack of in-depth understanding of service quality and its measurement in the travel sector (Fick & Ritchie, 1991; LeBlanc, 1992). The majority of research conducted on service quality using the SERVQUAL instrument and conceptual model is based in the United States, Canada, or the United Kingdom.

To date (1993), few studies have been conducted on service quality using the SERVQUAL instrument in Australia. A comprehensive review of the literature reveals the absence of any Western Australian based study using the SERVQUAL instrument and conceptual model.

The conceptual model of service quality originated by Parasuraman et al. (1985) and its related SERVQUAL instrument have been used in a variety of service settings resulting in a number of disparate findings. Crompton and Mackay (1989) explored the concept of service quality in the context of recreation service delivery. They used a constant-sum technique, which is "a form of comparative rating scale ... used to rank order the dimensions that were most important for a desired level of service quality" (Crompton & Mackay, 1989, p. 370).

Four sectors of the recreation industry were explored based on Lovelock's (1984) classificatory schema. Results suggest, customers of recreation services (in each of the
four sectors) perceive significant differences in the relative importance of the SERVQUAL dimensions.

The reliability dimension was rated consistently high and empathy consistently low in all four sectors. These findings equivalent to Reidenbach and Sandifer-Smallwood's (1990) rating of overall service quality. The attributes, treatment quality, physical appearance, patient confidence and business competence correspond to Parasuraman et al.'s, (1985) reliability, tangibles, assurance and competence dimensions, respectively. Reidenbach and Sandifer-Smallwood's (1990) findings indicate these attributes significantly affect customers' assessment of perceived overall service quality in the hospital industry. Empathy was also found to explain an insignificant proportion of the variance in hospital patients overall rating of service received.

The consistently high mean importance rating of reliability found in these studies support the findings of Parasuraman et al. (1990) in that, "reliability is the most critical dimension, regardless of the service being studied." (p. 27)

Rank order comparisons of the SERVQUAL dimensions in Fick and Ritchie's (1991) investigation on banking services reveals rank order mean scores identical to the original SERVQUAL instrument in the banking services sector (Parasuraman et al., 1986). Unlike Crompton and Mackay (1989) and Reidenbach and Sandifer-Smallwood (1990) investigations, Parasuraman et al. (1991) found tangibles
was consistently rated as the least important dimension influencing customers evaluation of service quality. This disparity in findings may be due to different environments, distribution methods or simply because each service sector rates the importance of the dimensions differently, with the possible exception of reliability.

The importance rating and overall service quality evaluation of dimensions have only been considered thus far. However, when the expected importance of the SERVQUAL dimensions are evaluated using the 22-item statements proposed by Parasuraman et al. (1986) or a modified version of these items, similar results are found (Fick & Ritchie, 1991; LeBlanc, 1992; Reidenbach & Sandifer-Smallwood, 1990). Reliability has a high mean score relative to the other SERVQUAL dimensions. Assurance is also reported as an important dimension influencing expectations (Fick & Ritchie, 1991; Hartshorn, 1990; Parasuraman et al., 1986).

Up to this point, consideration has only been given to the customers evaluation of service quality. A number of researchers however, have advocated a dyadic approach, considering both the customer and service provider (Brown & Swartz, 1989; Lewis & Klein, 1987; Saleh & Ryan, 1991). A dyadic interaction was conceptualised in Parasuraman et al's. (1985) conceptual (gaps) model of service quality. Brown and Swartz (1989) advocate, "such an approach makes possible the identification and analysis of perceptual gaps between the two parties [which is'] .... necessary for gaining understanding of the evaluation process." (p. 92)
Research investigations using Parasuraman et al.'s. (1985) conceptual model of service quality (or a modified version) incorporating a dyadic perspective will now be reviewed. This review highlights perceived service quality discrepancies between the customer and service provider.

Lewis and Klein (1987) used a dyadic approach in their survey of 23 upper management staff and 116 guests at a 400 bedroom hotel. A modified version of Parasuraman et al.'s. (1985) conceptual gaps model formed the basis of the framework of analysis. Findings related to gap 1 in the original 1985 model indicate management perceptions of guests expectations are correct in 17 out of 44 different hotel attributes that were adapted from the SERVQUAL instrument.

A similar result was found in Saleh and Ryan's (1991) study of the hotel industry, with management correctly perceiving guests expectations in 19 out of 33 items. Of the remaining 14 items, management overestimated guests expectations. The level of overestimation was so great on the five SERVQUAL dimensions that the researchers concluded that overall, management overestimate guests expectations.

When an assessment was made of the difference between guests' expectations and perceptions (SERVQUAL score/difference score), Lewis and Klein (1987) found guests demand more than they reported themselves requiring. Whereas in Saleh and Ryan's (1991) investigation, perceived service consistently fell short of expectations across all items and dimensions.
In Parasuraman et al’s. (1991) investigation, the most important guest’s expectation, reliability recorded the most negative SERVQUAL score. Fick and Ritchie (1991) also found reliability was the most important dimension in two service sectors studied (airline and hotel) and the second most important dimension in the remaining two sectors (restaurant and ski area services, assurance was the most important in these sectors). In all four sector however, reliability recorded the greatest negative SERVQUAL score. Based on these findings it can be implied that the most important service quality dimension has the most serious service quality shortfalls in the eyes of the customer.

A third gap was measured by both Lewis and Klein (1987) and Saleh and Ryan (1991) considering the discrepancy between management perceptions of service delivery and guests perception of service delivery. Lewis and Klein (1987) reported that on 29 of 44 variables, management believed the service delivery was good whereas guests scored the service lower than management.

Comparably, in Saleh and Ryan’s (1991) study, management scored 15 items higher than guests, with 7 of these variables reporting a significant difference. In the remaining 18 items, guests perception of service delivery were higher than management, with 6 items recording a statistically significant difference. Within dimension calculations, however, lead to these differences cancelling themselves out, with only tangibles remaining significantly different. These findings imply that management and guests
perspectives of service delivery in the hotel industry are congruent overall, albeit differences do exist on separate items.

A fourth gap, management perceptions of service and guests' expectations of the service was measured by Saleh and Ryan (1991). Results indicate, guests expect more than they actually receive. This discrepancy may be due to unrealistic or misleading advertising claims that increase guests expectations, because when guests do not receive the service advertised, service quality shortfalls are apparent. This study highlights the need to ensure external communications accurately reflect the service organisation.

An overall analysis of the gaps used in Brown and Swartz's (1989) research of professional service indicates all gaps influence the evaluation outcome. Headley and Choi (1992) replicated Parasuraman et al's. (1985) conceptual model and found few significant differences between customers and employees in the fitness industry.

In short, although previous researchers have found disparate findings, some consistencies emerge. Reliability is consistently rated as an important dimension in the evaluation of service quality. This dimension is often reported as having the largest (negative) SERVQUAL gap score. Thus the dyadic approach used in the conceptual model reveals inconsistencies between the service providers perceptions and the customers' expectations and perceptions.
Although previous studies have either rated the importance of SERVQUAL, analysed a modified version of the 22-item instrument, or adapted Parasuraman et al.'s. (1985) conceptual model, no research investigation, to date (1993), has considered all three in the one study (with the exception of the originators).

Analysis of these research studies reveals a number of shortfalls in terms of the degree to which the total concept is measured. Previous researchers (Brown & Swartz, 1989; Lewis & Klein, 1987; Saleh & Ryan, 1991) have focused their analysis on the discrepancies between the customer and provider in gaps 1 and 5 in Parasuraman et al.'s. (1985) conceptual model of service quality. A requisite for closing gap 5 (difference between expectations and perceptions) however, is the closure of gaps 1 to 4. Only gap 1 has been addressed in this context, with researchers ignoring the significant role the other 3 gaps play in the service quality framework.

Headley and Choi (1992) have noticed this trend in the literature, investigating all 4 gaps between employees and customers in the fitness industry, however details are vague. The validity of gaps 1 and 2 are also questioned because, rather than investigating managements' perceptions, for which gaps 1 and 2 were designed, Headley and Choi (1992) survey employees. A distorted image of the providers' expectations may therefore result.

Based on a critical analysis of previous studies, there is a need for the investigation of service quality
from a dyadic perspective (including customers, front-line staff and management), applying the SERVQUAL instrument, and incorporating Parasurman et al's. (1985) conceptual model of service quality in the travel and tourism industry. Only through the combination of these tools will a realistic perception of service quality emerge.
CHAPTER 5.

METHODOLOGY

Design

The purpose of this study was to analyse the perceptions of service quality in Ansett Australia (W.A. Division) from three different perspectives. A single-embedded case study design was selected as the most appropriate method of investigation. A case study is defined by Yin (1981a, 1981b; cited in Yin 1984, p. 23) as "an empirical inquiry that ... investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used."

The multiple units of analysis in the current investigation involves the study of frequent flyers, management and employees. Criticisms of case study research, justification for the research design, and validity and reliability measures will rely largely on the work of Yin (1984), who contributed to the significant lack of research on case study design and methods.

A number of authors (Gay & Diehl, 1992; Guba & Lincoln, 1981) have criticised case study research. Yin (1984, p. 21) describes traditional prejudices of the case study research design as a lack of rigor, the extensive reams of documentation and the provision of little basis for generalization. These criticisms are largely a result
of unsatisfactory case study investigations prevalent in the 1960's.

Case study research has been criticised for the lack of rigor and bias entering into the findings (Gay & Deihl, 1981, p. 257). It is often haphazardly conducted with a tendency for bias to enter into interpretation of research findings. Bias can enter many types of research designs, it is not specific to case study research but has less frequently been addressed in this design.

The researcher attempted to minimise bias in the study by ensuring a balanced view was presented with the use of a variety of references to support major points. Interpretation was based on statistical results computed using the SYSTAT (1992) program and Zeithaml et al.'s (1990, p. 176) framework for analysing SERVQUAL data. Therefore, minimal bias entered into the research.

Multiple sources of evidence produced a large stockpile of useful data which was categorised using a database. Literature was divided into general and specific topic areas which enables future researchers to follow the logical development of the thesis. The use of a database therefore improves the reliability of the study, allowing future replication.

A third, frequently cited complaint is that, case studies "provide very little basis for scientific generalization" (Yin, 1984, p. 21). The criticism is based on the scientific belief that findings from a sample must be generalized to a population (Guba & Lincoln, 1981).
The case study's aim is not to generalise to a population or universe but to engender linkages and patterns of theoretical propositions.

Although case study research produces a number of criticisms, these are largely addressed and overcome in the present study. The design facilitates investigation of meaningful real-life perceptions which contribute to both the case and to the furthering of theoretical insights in the service quality literature. The use of a single case (Ansett Australia, W.A. Division) is justified because it represents a "unique case" (Yin, 1984, p. 13). Ansett Australia's Western Australian division is in a virtual monopolistic position in the W.A. airline market. Deregulation and the threat of new competitors jeopardises this unique position. In no other Australian state does an airline company hold a virtual monopolistic position.

To increase the validity and reliability of the investigation, a number of Yin's (1984, p. 36) recommendations for case study research design and methods were used including construct validity, internal validity, external validity and reliability measures.

The construct validity of the study was increased by using key informants and multiple sources of evidence. Construct validity refers to the "degree to which the test result fits the theory around which the test was designed" (Sekaran, 1984, p. 156). Key informants from Edith Cowan University reviewed drafts of the research, commenting on the measurement of the concepts.
Multiple sources of evidence were also used in the data collection process to increase the accuracy of information and establish converging lines of inquiry. These sources include internal documentation, newspaper clippings, an extensive literature search and a number of informal discussions with the General Manager of Ansett Australia (W.A. Division) and the Frequent Flyer Program Director.

The internal validity of the study was not tested because as Yin (1984, p. 36) asserts, this is "for explanatory and causal studies only, and not for descriptive or exploratory studies." The current investigation has a descriptive nature, identifying and describing variables impacting on the organisation. Internal validity measures are therefore irrelevant to the investigation at hand.

The case study was deemed to have good external validity. External validity is defined by Kidder (1981; cited in Yin, 1984) as, "establishing the domain to which a study's findings can be generalized" (p. 36). The research is generalisable to theory, namely the conceptual model of service quality developed by Parasuraman et al. (1985). The research was also deemed to be generalisable to other travel and tourism sectors due to inherent flexibility in the approach and consistency of results with previous findings.

Reliability measures recommended by Yin (1984, p. 93) were used in the data collection procedures.
Reliability is defined by Kidder (1981; cited in Yin, 1984, p. 36) as, "demonstrating that the operations of a study—such as the data collection procedures—can be repeated, with the same results." This involved the establishment of a physical and computerized database facilitating future researches replication of the study. The database consists of a categorised collection of newspaper articles, internal documents, informal discussions, relevant articles and a computerized file of tabular (raw data) material.

To reiterate, a single-embedded case study design was deemed to be the most appropriate method of investigation, justified by the unique nature of the case. A number of measures recommended by Yin (1984, p. 36) were used in the case study design to increase validity and reliability, including the use of key informants and multiple sources of evidence to increase construct validity. Internal validity was concluded as inappropriate to the descriptive nature of the investigation, while good external validity was assured by generalization to theory. A case study database was established to increase the reliability of the design. Although these measures ensured the case study’s goodness of data, a number of criticisms of the design were recognised.

Subjects

Due to the study of service quality in Ansett Australia (W.A Division) from three different perspectives,
three different subject groups were used as the unit of analysis. Each group will therefore be described separately.

1) Employees

Subjects were chosen from a population of 85 Traffic Staff and six frequent flyer trained Flight Attendants in the Western Australian Division of Ansett Australia. Subjects in the population frame were selected due to the large customer-employee interaction component involved in their job. To the customer, these contact persons are the company.

Although all Flight Attendants are trained in customer service, only six are specially trained to handle frequent flyer enquiries. These 6 individuals volunteered to become frequent flyer trained Flight Attendants with no extra compensation (pay).

In addition, 38 Traffic Staff were sampled based on a systematic random sampling design. Traffic staff are responsible for customer check-in's, baggage and flight details. These individuals play a pivotal role in the link between the organisation and the customer. The sample of 38 Traffic Staff and all six of the frequent flyer trained Flight Attendants comprised the total employee sample. Thus 44 customer-contact personnel were selected for participation in the investigation.
2). Management

Subjects were selected from a population of 30 management staff employed in the Western Australian Division of Ansett Australia who, either supervised contact personnel, were involved in external communications of the organisation, or were individuals comprising the upper echelon of management in the North/West Ports.

The 30 management in the population frame comprised three Flight Attendant Supervisors, three Traffic Staff Supervisors (who supervise employees at the ticketing counters), six Sales and Marketing Staff (including the Frequent Flyer Program Director who controls the operations and transfer of frequent flyer information to contact personnel), nine North/West Managers who manage the nine ports (almonds) in Western Australia and nine North/West 2IC (second in charge) Managers.

Due to the small number of individuals in the population frame, all managers were selected for participation in the investigation. The management sample size is therefore 30.

3. Frequent Flyers

Ansett Australia’s (W.A. Division) frequent flyer population is unknown due to the pooling of frequent flyers into a shared database with the frequent flyer program partners. A sample of 100 frequent flyer passengers who were, using the services of Ansett Australia (W.A Division), were deemed to be reasonably representative
of all frequent flyers. This was confirmed by two Edith Cowan University research specialists.

Based on discussions with The Frequent Flyer Program Director and General Manager of Ansett Australia (W.A. Division) information on demographic characteristics of the frequent flyer were obtained. Approximately 70% of frequent flyers are males and 30% females. Fifteen percent of male frequent flyers are between the ages of 20 and 30 years, 65% between 30 and 50 years and 20% are 50 years of age or older. The age distribution of female frequent flyers approximates, 5% between the ages of 20 and 30, 85% between 30 and 47 years and 10% between the ages of 48 and 60 years.

Mr Ron Buckey indicated that "the majority of frequent flyers, travel for business reasons" (Personal communication, October 6, 1993). Between 85% and 90% of frequent flyers are business travellers. When points are earned, business travellers usually credit their points to obtain a free or discounted holiday.

To reiterate, three groups were chosen as the unit of analysis, in order to investigate the level of service quality in Ansett Australia (W.A. Division). These groups consisted of a sample of 38 Traffic Staff and six frequent flyer trained Flight Attendants, 30 Management staff and 100 Frequent Flyers.
Description of Instruments Used

Two related instruments were administered in the study: The revised 1990 SERVQUAL instrument developed by Parasuraman et al. (1986) and the conceptual model of service quality developed by Parasuraman et al. (1985), measuring Gaps one to four and their antecedents.

SERVQUAL is a multiple item instrument used to measure service quality. The instrument consists of 22 statements used to measure expectations of the service sector under investigation and a matching set of company specific statements contained in a perceptions section. Between the two, is a section used to ascertain customers' (and managements') assessment of the relative importance of the five dimensions.

Customers (and management) indicate which dimension is most, second most and least important. The expectation and perception sections are measured along a 7-point Likert scale, ranging from strongly disagree (1) to strongly agree (7), while the relative importance section divides 100 points among the five dimensions.

SERVQUAL was administered to the frequent flyer sample and the first two sections to the management staff. The portion of the conceptual model used to measure Gaps 1 and 2 were distributed to management, and items pertaining to Gaps 3 and 4 administered to employees.

Testing of the five SERVQUAL dimensions (tangibles, reliability, responsiveness, assurance and empathy)
revealed good instrument reliability and validity. Although the instrument was originally developed in the financial services sector, the generalisability of the instrument was deemed to be appropriate for administration in the travel and tourism industry.

Each of the matching 22 expectation–perception item sets pertain to one of the five SERVQUAL dimensions and are as follows;

<table>
<thead>
<tr>
<th>Statement</th>
<th>Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statements 1-4 ............</td>
<td>Tangibles</td>
</tr>
<tr>
<td>Statements 5-9 ............</td>
<td>Reliability</td>
</tr>
<tr>
<td>Statements 10-13 ...........</td>
<td>Responsiveness</td>
</tr>
<tr>
<td>Statements 14-17 ..........</td>
<td>Assurance</td>
</tr>
<tr>
<td>Statements 18-22 ..........</td>
<td>Empathy</td>
</tr>
</tbody>
</table>

To reiterate, SERVQUAL is a multiple item instrument with good reliability and validity which was designed to measure customer expectations, perceptions and the relative importance of the SERVQUAL dimensions (Refer to the Frequent Flyers questionnaire in Appendix E). The SERVQUAL questionnaire was distributed to frequent flyers, to measure Gap 5 in Parasuraman et al’s. (1985) conceptual model of service quality. A requisite for closing Gap 5 is the closure of Gaps 1 to 4. To examine these gaps, it was necessary to analyse two additional perspectives, the managers and employees.
Gaps 1 and 2 from Parasuraman et al's. (1985) conceptual model were used in the managers questionnaire. Gap 1 uses the expectation and relative importance sections from the SERVQUAL instrument, to ascertain management perceptions of customers' expectations. Managers are instructed to respond from the customers' viewpoint. Gap 1, therefore measures expectations from two viewpoints or two samples. In addition, nine statements were included in the management questionnaire to ascertain the potential antecedents (cause) of the gap (Refer to the Managers questionnaire in Appendix E). These antecedents are measured by the following statements in the managers questionnaire:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Antecedents of Gap 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statements 1-4</td>
<td>Marketing Research Orientation</td>
</tr>
<tr>
<td>Statements 5-8</td>
<td>Upward Communication</td>
</tr>
<tr>
<td>Statement 9</td>
<td>Levels of Management</td>
</tr>
</tbody>
</table>

The final portion of the managers' questionnaire contains 11 statements used to measure Gap 2 in the conceptual model. Potential antecedents of Gap 2 are measured by the following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Antecedents of Gap 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statements 10-13</td>
<td>Managements' commitment to service quality</td>
</tr>
<tr>
<td>Statements 14-15</td>
<td>Goal setting</td>
</tr>
</tbody>
</table>
Statements 16-17 ............ Task standardization
Statements 18-20 ............ Perception of feasibility

The employees questionnaire consists of statements designed to measure Gaps 3 and 4 (Refer to Appendix E). Gap 3, the potential discrepancy between service quality specifications and service delivery is measured firstly, by asking employees to indicate on a 7-point likert scale, to what degree each of the SERVQUAL dimensions have performance standards. They are then asked to indicate their ability to consistently meet these standards. Potential antecedents of Gap three are then measured by 24 statements, as follows:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Antecedents of Gap 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statements 1-5</td>
<td>Teamwork</td>
</tr>
<tr>
<td>Statements 6-7</td>
<td>Employee-job fit</td>
</tr>
<tr>
<td>Statement 8</td>
<td>Technology-job fit</td>
</tr>
<tr>
<td>Statements 9-12</td>
<td>Perceived control</td>
</tr>
<tr>
<td>Statements 13-15</td>
<td>Supervisory control systems</td>
</tr>
<tr>
<td>Statements 16-19</td>
<td>Role conflict</td>
</tr>
<tr>
<td>Statements 20-24</td>
<td>Role ambiguity</td>
</tr>
</tbody>
</table>

The employees' questionnaire also measures Gap 4 in Parasuraman et al.'s. (1985) conceptual model of service quality. Employees are asked to what degree (on a 7-point likert scale) they are consistently able to meet promises made to frequent flyers through external communications.
This is measured along each one of the five SERVQUAL dimensions. Six statements are also included which are designed to measure the antecedents of Gap 4. Statements measuring antecedents of Gap 4 are as follows:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Antecedents of Gap 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statements 25-28 ..........</td>
<td>Horizontal Communication</td>
</tr>
<tr>
<td>Statements 29-30 ..........</td>
<td>Propensity to Overpromise</td>
</tr>
</tbody>
</table>

To reiterate, Gaps 1 and 2 and their corresponding antecedents are measured in the managers' questionnaire, and Gaps 3, 4 and their antecedents are measured in the employees questionnaire. The results of all three perspectives facilitates understanding of the size and significance of the SERVQUAL gaps, the importance of the dimensions, underlying antecedents and the perceived level of service quality in Ansett Australia (W.A. Division).

It should be noted that only minor wording changes were made to the revised 1990 SERVQUAL instrument. These changes were made after consultation with senior management from Ansett Australia (W.A. Division) in an effort to improve the fit of the tool. In recognition of the criticism of the length of the instrument, the questionnaires were presented in a booklet form to make the questionnaires appear shorter.
Data Collection Procedures

Data was collected using three different questionnaires distributed in the month of September. All 30 management in the population frame of Ansett Australia (W.A. Division) were studied. Due to geographic dispersion of the North/West Managers, questionnaires were administered via the Ansett mail bag under the guidance of the General Manager. The remaining management staff resided in Perth, where questionnaires were distributed via the General Manager to encourage questionnaire completion. Management were given the choice of returning the questionnaire to the General Manager, or mailing responses to the researchers' supervisor. All respondents opted for the former alternative.

The Traffic Staff were sampled based on a systematic random sampling design. Systematic sampling is defined as "sampling in which individuals are selected from a list by taking every Kth name." (Gay & Diehl, 1992)

Procedures for systematic sampling outlined in Gay and Diehl's (1992) works were followed in sampling Traffic Staff. Thirty eight was deemed to be the desired sample size. Starting from the tenth name on the Traffic Staff’s pigeon hole, every second Traffic Staff employee was surveyed until the desired sample size (38) was reached. The distribution of questionnaires through the pigeon holes was deemed to be random because an employee’s surname beginning with A, for example, is assumed to be no
different from individuals names beginning with the letter M. The Traffic Staff were asked to return questionnaires to the Duty Manager or to a University Box located in the staff room.

The six frequent flyer trained Flight Attendants were deemed to form their own population because only these individuals were specifically trained to handle frequent flyer queries. The employees' questionnaire was distributed to all six individuals through their pigeon holes, these individuals were also instructed to return completed questionnaires to the Duty Manager or University box provided.

On both the management and employees' questionnaires, three weeks were allowed for the return of responses. To encourage completion of questionnaires, the General Manager of Ansett Australia (W.A. Division) elicited a prompt response from the survey groups.

Due to the geographic, time and cost limitations of distributing questionnaires to frequent flyers throughout the North/West ports, only those frequent flyers departing from Perth on an Ansett Australia (W.A. Division) flight were studied. Two flights were randomly selected per day in an average week of September/October, 1993. Randomly selected flights ranged from 6.15am to 11.15pm, with a variety of destinations in the state of Western Australia used in the study.

The researcher approached each frequent flyer customer lining up at the Ansett Australia (W.A. Division) ticketing
counters. Based on discussions with two research specialists and the General Manager of Ansett Australia (W.A. Division) this was considered to be the most appropriate sampling procedure, since a line was assumed to be randomly formed.

To qualify for the study, the customer had to be a current frequent flyer of the airline, who had flown Ansett Australia (W.A Division) in the past six months. Once this was established and the purpose of the investigation explained, respondents were given a pen to fill out the questionnaire. Frequent flyers were asked to return completed questionnaires to either the researcher who was located in the departure area, or place the questionnaire into a University box located in the departure lounge.

The researcher ensured confidentiality of responses to all 3 groups surveyed, while respondents were asked to give their individual and true beliefs in responding to the questionnaire. This was required in order to obtain accurate perceptions of the level of service quality in Ansett Australia (W.A. Division).

Data Analysis Procedures

The data analysis procedures closely followed Zeithaml et al's. (1990) recommended procedures. Statements pertaining to the research question and subsidiary questions were analysed separately. Data from the frequent flyers' questionnaire was used to analyse the research
question (Gap 5). The managers' questionnaire was used to analyse subsidiary questions one and two and the employees' questionnaire to analyse subsidiary questions three and four. Each of these questions were analysed separately.

The frequent flyers' level of perceived service quality was analysed by calculating the mean and standard deviation scores along each of the 22 statements in the expectations and perceptions sections across all frequent flyers. Mean and standard deviation scores were then calculated for each of the SERVQUAL dimensions, in both the expectation (Part I) and the perception sections (Part III). This was calculated by adding the mean and standard deviation scores on each statement pertaining to that dimension and then dividing the total by the number of statements in each dimension.

A SERVQUAL score for each frequent flyer customer along the five SERVQUAL dimensions was calculated using the following steps;

1). Subtracting the expectation score from the perceptions score for each frequent flyer customer on all of the 22-item statement pairs. This produced a SERVQUAL score for each statement pair across all frequent flyer respondents.

2). For each frequent flyer customer, the SERVQUAL scores were added along the five dimensions. The sum of each dimensions SERVQUAL scores was then divided by the number of statements pertaining to that dimension.
The quantity obtained in step 2 for each dimension, was added across all frequent flyer respondents, then divided by the number of respondents.

These calculations produced an average SERVQUAL score along each dimension for the frequent flyer sample. Negative scores indicate a gap between expectations and perceptions, or service quality shortfalls. Positive scores indicate Ansett Australia's (W.A Division) ability to meet or exceed frequent flyer' expectations. An overall unweighted SERVQUAL score for the five dimensions was obtained by summing the results from step 3 across all five dimensions and dividing the sum by five.

To ascertain the relative importance of the SERVQUAL dimensions, the mean and standard deviation of responses in Part II of the frequent flyers questionnaire were calculated. An overall weighted SERVQUAL score was obtained by multiplying the SERVQUAL score for each frequent flyer customer (obtained in step 2) by the relative importance score assigned to each dimension. The weighted importance score was calculated by dividing the importance score by 100 (All weighted SERVQUAL scores were then calculated across the five dimensions, resulting in a combined weighted SERVQUAL score for each frequent flyer). These results were added across all frequent flyers then divided by the number of frequent flyer respondents.

To reiterate, the research question which inherently measures Gap 5 in Parasuraman et al's. (1985) model was
measured through a number of steps which determine the mean and standard deviation for each statement. The mean and standard deviation was then examined for each of the 22 expectation/perception paired statements for all respondents. The SERVQUAL score (perceptions−expectations) was calculated across the five SERVQUAL dimensions, summed, divided by the number of statements and then averaged across all frequent flyer respondents. The overall unweighted and weighted SERVQUAL score was then used to determine the influence of the relative importance of the dimensions on the result.

Subsidiary question 1 was measured by using a similar procedure described above, except that only the expectation (not the perception) statements were considered. The same procedure was used to determine the average expectation score for the managers surveyed. The resulting average frequent flyer score was then subtracted from the average management expectation score. The results from these calculations indicated the discrepancy between management perceptions of customers expectations and frequent flyer expectations (Gap 1).

The overall unweighted and weighted Gap 1 score was calculated by similar procedures to the measurement of the research question, except the averages were calculated separately for each group and the differences obtained.

Antecedents of Gap 1 were analysed by reversing any negatively worded statements, adding the scores on each statement for each customer and then dividing the total by
the number of statements comprising the antecedent. The scores were added across all management respondents and then divided by the sum of the number of managers.

Subsidiary question 2 was measured by the 11 statements comprising four antecedents of Gap 2. These antecedents were measured using the same procedure as Gap 1.

Subsidiary question 3 was measured by determining the mean and standard deviation scores in the first two sections of the employees questionnaire. The scores were then compared to determine the degree of discrepancy. Antecedents of Gap 3 were then measured by the same procedures as above.

Subsidiary question 4 was analysed by examining the third section of the employees questionnaire. Mean and standard deviation scores were obtained. Antecedents of Gap 4 were measured as above.

In all four subsidiary questions, any large gap or unusual mean or standard deviation score on individual items was examined. These calculations facilitate the analysis of service quality in Ansett Australia (W.A. Division) and the measurement of each one of Parasuraman et al's. (1985) conceptual gaps.
Limitations

The research investigation was inhibited by a number of limitations outside the immediate control of the researcher. These include, bias, informational constraints, external validity, financial constraints, and time constraints.

1). The father-daughter relationship between the General Manager of Ansett Australia (W.A. Division) and the researcher may have caused a degree of bias. This relationship was assumed to be a potential influence on employees and management responses. Truthful responses may/or may not be obtained for fear of the General Managers ease of access to results.

Steps were taken in anticipation of this problem. The researcher assured all respondents that confidentiality of responses would be maintained, further enhanced by the provision of envelopes and University locked boxes. The identity of the researcher was concealed by using the supervisors' name on all questionnaires. In addition, respondents were informed that results would be aggregated across all participants. Through these steps bias in the research was minimised.

2). Due to the strict security in Ansett Australia (W.A. Division), the amount of information and available methods
of investigation were constrained and this limited the amount of information the researcher could obtain.

3). The external validity criticism in case study research has previously been addressed. Some may argue that, the use of one case study is not generalisable to other cases. The unique position of Ansett Australia (W.A. Division) in the West Australian market, the attempt to generalize to theory and the use of Yin's (1984, p. 36) recommended validity and reliability measures overcame this limitation.

4). Financial constraints inhibit many researchers, but in particular, the university student. Ansett Australia, an Edith Cowan University research grant and the researcher's personal income funded the research. A more in-depth investigation using a series of focus group interviews in the various ports in Western Australia will be made in future studies. Financial constraints however limited the possible methods of investigation.

5). The researcher was also constrained by Edith Cowan University's requirement of completion of an Honours Thesis within one year of full time study.

These limitations have been sufficiently addressed and efforts made to overcome potential difficulties. This
research is considered Phase I of a total customer focus program in Ansett Australia (W.A. Division). Due to time and financial constraints Phase II (focus group interviews) will be conducted at a later stage, providing additional insights into the illusive service quality construct in Ansett Australia (W.A. Division). Extension of the research into other travel and tourism sectors is also desirable.
CHAPTER 6.
RESULTS

Introduction

A total of 89 frequent flyers, 36 employees and 30 management responded to the three questionnaires. The response rate was a high, 89%. An additional 4 frequent flyer questionnaires were excluded from the analysis due to missing or incomplete data. The high response rate (in the organisation) was largely a result of encouragement by the General Manager of Ansett Australia (W.A. Division) for participation in the investigation.

The data was subjected to a number of Zeithaml et al'.s. (1990) statistical techniques and applied to the research question: To what extent is there a service quality gap between frequent flyer expectations and perceptions of Ansett Australia (W.A. Division)?; and subsidiary questions: (1) Do frequent flyers expectations of services provided by Ansett Australia differ from management's perceptions of those expectations? (2) Is there a discrepancy between management's perception of frequent flyer expectations and service quality specifications? (3) Do the service quality specifications in Ansett Australia (W.A. Division) differ from the service delivered to frequent flyers? and (4) Is there a discrepancy between the promised service promoted through external communication and the actual service delivered?
Research Question

To what extent is there a service quality gap between frequent flyer expectations and perceptions of Ansett Australia (W.A. Division)?

Overall, frequent flyer passengers travelling Ansett Australia (W.A. Division) have favourable attitudes toward the organisation. However, the airline consistently failed to meet frequent flyer expectations. An analysis of mean scores revealed, reliability is perceived to be the most important dimension, and empathy the least important. Ansett Australia (W.A. Division) was found to perform worst along the most important dimension, reliability. Similar results were found by Zeithaml et al. (1990, p. 29) who assert, "the single most important dimension of service, reliability has the most negative SERVQUAL score."

The data gathered from the 89 frequent flyer respondents were used to analyse the research question. This question relates to Gap 5 in Parasuraman et al’s. (1985) conceptual model of service quality. The following results display the individual mean expectation and perception scores, with corresponding standard deviations on individual items. A summary of findings follows, indicating the extent of the service quality gap.
Individual Statement Results

Each individual statement in Part I of the frequent flyer questionnaire refers to frequent flyers expectations from an excellent airline company. Part III uses a matching set of statements to ascertain frequent flyers perceptions of Ansett Australia (W.A. Division) as a service organisation. The potential discrepancy between the expectation and perception mean scores is known as the difference score or SERVQUAL score.

Each statements mean, standard deviation and corresponding SERVQUAL scores for the expectation and perception statements are shown in Table 1.

Statements 1, 2, 3 and 4 pertain to the tangibles dimension. (see Appendix E, Frequent Flyers Questionnaire) These statements refer to the appearance of both equipment, facilities and employee's, and the appeal of frequent flyer pamphlets or statements. All four statement mean results indicated high expectations along the tangibles dimension, with mean results of 6.180, 6.371, 6.371, and 5.483 respectively. Thus, frequent flyers agree that excellent airline companies will provide appealing tangible service elements.

Matching perception statements on each of the four items revealed similar results, albeit lower scores. A favourable response resulted from frequent flyer mean perception scores along the tangibles dimension.
Table 1.

Individual Statement Scores: Frequent Flyer Expectations and Perceptions

<table>
<thead>
<tr>
<th>Statement</th>
<th>Expectations</th>
<th>Perceptions</th>
<th>SERVQUAL Score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean (1)</td>
<td>S.D. (1)</td>
<td>Mean (2)</td>
</tr>
<tr>
<td>1</td>
<td>6.180</td>
<td>0.762</td>
<td>5.764</td>
</tr>
<tr>
<td>2</td>
<td>6.371</td>
<td>0.871</td>
<td>6.090</td>
</tr>
<tr>
<td>3</td>
<td>6.371</td>
<td>0.713</td>
<td>6.169</td>
</tr>
<tr>
<td>4</td>
<td>5.483</td>
<td>1.149</td>
<td>5.180</td>
</tr>
<tr>
<td>5</td>
<td>6.337</td>
<td>0.783</td>
<td>5.618</td>
</tr>
<tr>
<td>6</td>
<td>6.461</td>
<td>0.658</td>
<td>6.000</td>
</tr>
<tr>
<td>7</td>
<td>6.528</td>
<td>0.724</td>
<td>5.573</td>
</tr>
<tr>
<td>8</td>
<td>6.315</td>
<td>0.806</td>
<td>5.775</td>
</tr>
<tr>
<td>9</td>
<td>6.079</td>
<td>0.932</td>
<td>5.281</td>
</tr>
<tr>
<td>10</td>
<td>5.697</td>
<td>0.884</td>
<td>5.225</td>
</tr>
<tr>
<td>11</td>
<td>6.371</td>
<td>0.681</td>
<td>6.191</td>
</tr>
<tr>
<td>12</td>
<td>6.258</td>
<td>0.860</td>
<td>6.315</td>
</tr>
<tr>
<td>13</td>
<td>6.011</td>
<td>0.746</td>
<td>5.910</td>
</tr>
<tr>
<td>14</td>
<td>6.056</td>
<td>0.713</td>
<td>5.831</td>
</tr>
<tr>
<td>15</td>
<td>6.090</td>
<td>0.763</td>
<td>5.899</td>
</tr>
<tr>
<td>16</td>
<td>6.393</td>
<td>0.701</td>
<td>6.247</td>
</tr>
<tr>
<td>17</td>
<td>5.697</td>
<td>0.884</td>
<td>5.461</td>
</tr>
<tr>
<td>18</td>
<td>5.730</td>
<td>0.836</td>
<td>5.517</td>
</tr>
<tr>
<td>19</td>
<td>5.539</td>
<td>1.088</td>
<td>5.360</td>
</tr>
<tr>
<td>20</td>
<td>5.831</td>
<td>0.968</td>
<td>5.573</td>
</tr>
<tr>
<td>21</td>
<td>5.921</td>
<td>0.944</td>
<td>5.685</td>
</tr>
<tr>
<td>22</td>
<td>5.764</td>
<td>0.971</td>
<td>5.618</td>
</tr>
</tbody>
</table>

Note:* n = 89
This was indicated by mean perception scores of 5.764, 6.090, 6.169 and 5.180 respectively on each of the four statements.

Although both favourable expectation and perception mean scores were apparent, negative SERVQUAL scores on each of the four statements resulted. Thus, frequent flyers perceive Ansett Australia (W.A. Division), as providing high quality tangible service elements, however, the organisation fails to meet frequent flyer expectations.

Statements 5 to 9 pertain to SERVQUAL's reliability dimension (refer to Appendix E, Frequent Flyers Questionnaire). These statements refer to the dependability and accuracy with which the service is performed. Mean expectation scores were high on these statements, ranging from 6.079 to 6.528.

Responses were somewhat lower on the matching perception statement with mean scores ranging from 5.281 to 6.000. This difference is reflected in the SERVQUAL score for each statement, with statement 7 (Airline companies will perform the service right the first time) recording the highest negative difference at -0.955. Respondents therefore felt Ansett Australia (W.A. Division) is a reliable service organisation but not as reliable as they would like.

Statements 10 to 13 refer to the responsiveness dimension, measuring frequent flyers expectations and perceptions on employees willingness to help frequent flyers and provide prompt service. Mean expectation scores
for the four statements were recorded as 5.697, 6.371, 6.258 and 6.011 respectively.

Frequent flyers had lower perceptions of Ansett Australia (W.A. Division) than recorded expectations on statements 10 (-0.472), 11 (-0.180) and 13 (-0.101) as indicated by corresponding negative SERVQUAL scores. These statements refer to the promptness of service. Statement 12 however, recorded a positive SERVQUAL score. This item refers to employees willingness to help frequent flyers. Therefore, it can be implied that frequent flyers perceive Ansett Australia (W.A. Division) as providing prompt service, although not to the degree to which they would like, while employees are more willing to help frequent flyers than they expected.

Statements 14 to 17 refer to the ability of employees to express service knowledge, be consistently courteous and convey trust and confidence to the frequent flyer (refer to Appendix E, Frequent Flyers Questionnaire). These statements pertain to the assurance dimension of the SERVQUAL instrument. Again, respondents have high expectations ranging from 5.697 to 6.393.

Ansett Australia (W.A. Division) is perceived to perform somewhat lower than frequent flyers expectations, with mean scores of 5.461 to 6.247 on statements 14 to 17. The respondents felt Ansett Australia (W.A. Division) performs well in terms of assurance, albeit not to the degree to which they expected (indicated by negative SERVQUAL scores on statements 14 to 17).
The final dimension, empathy was measured by statements 18 to 22. These statements refer to the organisation's ability to give frequent flyers personal attention, make an effort to understand their needs, and provide the service in their best interest (see Appendix E, Frequent Flyers Questionnaire).

Expectation mean scores ranged from 5.537 to 5.921, while perceptions ranged from 5.360 to 5.685. SERVQUAL difference scores indicate Ansett Australia's (W.A. Division) performance along the empathy dimension consistently falls short of frequent flyers expectations. Thus, frequent flyers feel they are not receiving the individualized, caring service they expected from an excellent airline company.

To reiterate, high mean scores were recorded on each of the expectation and perception statements. With the exception of statement 12, frequent flyers perceive Ansett Australia's (W.A. Division) service as falling short of their expectations along each of the 22 item sets. This implies the need for service quality improvements in Ansett Australia (W.A. Division).

To clearly ascertain the difference (Gap 5) between customers expectations and perceptions, addition calculations along each dimension were required.

**Results by Dimension**

In order to compare frequent flyer expectations and perceptions with other studies, mean scores were calculated
along each dimension. Calculations were based on Zeithaml et al.'s. (1990) recommendations.

Mean scores were calculated along each dimension for Part I (expectations) and Part III (perceptions) of the frequent flyer questionnaire. Table 2 shows the results of these calculations.

The mean expectation scores for each of the SERVQUAL dimensions is higher than the corresponding mean perception score. This indicates that, along all SERVQUAL dimensions, frequent flyers perceive Ansett Australia’s (W.A. Division) quality of service to be falling short of their expectations. According to the 7-pt likert scale, Ansett Australia (W.A. Division) is providing a relatively good service, but fails to meet frequent flyers' expected standard of airline service.

Although the mean scores along each of the five dimensions gives a good indication of the dimensions importance to frequent flyers, it's importance is not relative to other dimensions.
Table 2.

Expectation and Perception Scores along the SERVQUAL Dimensions

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Mean Score</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expectations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangibles</td>
<td>6.101</td>
<td>0.628</td>
</tr>
<tr>
<td>Reliability</td>
<td>6.344</td>
<td>0.404</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>6.084</td>
<td>0.617</td>
</tr>
<tr>
<td>Assurance</td>
<td>6.059</td>
<td>0.541</td>
</tr>
<tr>
<td>Empathy</td>
<td>5.757</td>
<td>0.696</td>
</tr>
<tr>
<td><strong>COMBINED SCALE</strong></td>
<td>6.069</td>
<td>0.577</td>
</tr>
<tr>
<td><strong>Perceptions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangibles</td>
<td>5.801</td>
<td>0.579</td>
</tr>
<tr>
<td>Reliability</td>
<td>5.649</td>
<td>0.689</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>5.910</td>
<td>0.583</td>
</tr>
<tr>
<td>Assurance</td>
<td>5.860</td>
<td>0.602</td>
</tr>
<tr>
<td>Empathy</td>
<td>5.551</td>
<td>0.682</td>
</tr>
<tr>
<td><strong>COMBINED SCALE</strong></td>
<td>5.754</td>
<td>0.672</td>
</tr>
</tbody>
</table>

n = 89

Relative Importance Scores

The relative importance of the SERVQUAL dimensions were calculated based on results obtained from Part II of the frequent flyer questionnaire. Frequent flyers allocated 100 points among the five SERVQUAL dimensions,
indicating the dimensions importance relative to the other dimensions.

Figure 1 illustrates the resulting relative importance of dimensions in the current study and Figure 2, the recent empirical findings from Parasuraman et al.'s. (1991) reported investigation.

In both studies, respondents felt reliability was the most important dimension in their evaluation of service quality. Respondents therefore felt the promptness, accuracy and the ability of the organisation to perform the promised service, was paramount in the evaluation of an airlines quality of service. The rating of other dimensions varied between the two studies. This indicates that, although reliability is consistently cited as the most (or second most) important dimension when evaluating service quality, disparate findings are found along the remaining dimensions.
Figure 1. Relative Importance of the SERVQUAL Dimensions: Current Study

Figure 2. Relative Importance of the SERVQUAL Dimensions: (Parasuraman, Zeithaml and Berry, 1991)
Calculations can now be made to examine the impact of the relative importance of each dimension on the SERVQUAL scores.

**SERVQUAL Scores by Dimension**

Table 3 displays the unweighted mean SERVQUAL score (perceptions minus expectations), by service dimension, which was calculated from Zeithaml et al.'s. (1990, p. 191) recommendations for SERVQUAL data analysis. Along all dimensions, Ansett Australia (W.A. Division) failed to meet respondents expectations, resulting in negative mean SERVQUAL scores.

Table 3.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Unweighted Mean SERVQUAL Score*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>-0.301</td>
</tr>
<tr>
<td>Reliability</td>
<td>-0.694</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>-0.174</td>
</tr>
<tr>
<td>Assurance</td>
<td>-0.199</td>
</tr>
<tr>
<td>Empathy</td>
<td>-0.207</td>
</tr>
</tbody>
</table>

*Note:* n = 89
To facilitate understanding, Figure 3 illustrates this data in diagrammatical format.

![Mean SERVQUAL Scores by Dimension](image)

Figure 3. Unweighted Mean SERVQUAL Scores by Dimension

These findings indicate, the most important dimension, reliability, has the most negative SERVQUAL score. The second most important dimension, tangibles has the second highest negative SERVQUAL score. Therefore, Ansett Australia (W.A. Division) is performing worst on those dimensions most important to the frequent flyer.

Similar findings were recorded in Zeithaml et al’s. (1990) works. All dimensions recorded a negative mean
SERVQUAL score, with the exception of the tangibles dimension (recording a positive score).

Weighted scores were calculated along each dimension to examine the effect of the importance frequent flyers place on each dimension. Table 4 illustrates the relative importance frequent flyers attach to the various dimensions.

Table 4.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Weighted Mean SERVQUAL Score*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>-0.068</td>
</tr>
<tr>
<td>Reliability</td>
<td>-0.179</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>-0.034</td>
</tr>
<tr>
<td>Assurance</td>
<td>-0.032</td>
</tr>
<tr>
<td>Empathy</td>
<td>-0.026</td>
</tr>
</tbody>
</table>

Note: * n = 89

To assess frequent flyer’s overall perceived service quality, an overall unweighted and weighted score (taking into account the relative importance of the dimensions) was calculated based on Zeithaml et al’s. (1990, p. 191) recommendations (the sum of the SERVQUAL scores divided by five).
The weighted overall SERVQUAL score (-0.340) is greater than the unweighted score (-0.315). This suggests, Ansett Australia (W.A. Division) is performing worst on dimensions least important to frequent flyers. The discrepancy between the two scores indicates the potential for improving the level of perceived service quality by shifting the allocation of resources to those dimensions which are most important to frequent flyers (reliability).

**Summary of Findings for the Research Question**

The research question findings suggest, Ansett Australia (W.A. Division) is perceived to be performing a good service, however the company consistently failed to meet frequent flyer expectations on each of the SERVQUAL dimensions. Reliability was perceived to be the most important dimension when evaluating an airline company. Ansett Australia (W.A. Division) tends to perform worst on those dimensions which are most critical to frequent flyers, indicating an inadequate allocation of resources.

Thus, there is a discrepancy between expectations and perceptions (Gap 5) along all dimensions of service quality. A requisite for closing this gap is the closure of gaps 1 to 4. To facilitate examination of the research question (and closure of Gap 5), the four subsidiary questions will analyse the degree to which discrepancies are present in the four gaps.
Subsidiary Question 1.

Do frequent flyers expectations of services provided by Ansett Australia (W.A. Division) differ from management’s perceptions of those expectations?

Subsidiary question 1 directly relates to Gap 1 in Parasuraman et al’s. (1985) conceptual model of service quality. Individual item mean expectation scores were calculated for both the frequent flyer and management questionnaires.

Comparison of mean expectation scores (Refer to Table 5) indicated that, on 12 of the 22 expectation statements, management overestimated frequent flyer expectations (Signified by 0). Management underestimated frequent flyer expectations on the remaining 11 items (Signified by U).

The difference between mean scores on the majority of the expectation statements was minimal. The scores indicate management’s ability to accurately estimate frequent flyers expectations. The largest negative difference score was recorded on statement 7 (performance of the service right the first time). Management are underestimating the high expectation level frequent flyers place on the performance of a reliable service.
<table>
<thead>
<tr>
<th>Statement</th>
<th>Frequent Flyer Expectations</th>
<th>Management Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean*</td>
<td>S.D.</td>
</tr>
<tr>
<td>1</td>
<td>6.180</td>
<td>0.762</td>
</tr>
<tr>
<td>2</td>
<td>6.371</td>
<td>0.871</td>
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<tr>
<td>5</td>
<td>6.337</td>
<td>0.783</td>
</tr>
<tr>
<td>6</td>
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<td>7</td>
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<td>8</td>
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<td>9</td>
<td>6.079</td>
<td>0.932</td>
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<tr>
<td>10</td>
<td>5.697</td>
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<tr>
<td>11</td>
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<tr>
<td>12</td>
<td>6.258</td>
<td>0.860</td>
</tr>
<tr>
<td>13</td>
<td>6.011</td>
<td>0.746</td>
</tr>
<tr>
<td>14</td>
<td>6.056</td>
<td>0.713</td>
</tr>
<tr>
<td>15</td>
<td>6.090</td>
<td>0.763</td>
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<tr>
<td>16</td>
<td>6.393</td>
<td>0.701</td>
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<tr>
<td>17</td>
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<tr>
<td>18</td>
<td>5.730</td>
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<tr>
<td>19</td>
<td>5.539</td>
<td>1.088</td>
</tr>
<tr>
<td>20</td>
<td>5.831</td>
<td>0.968</td>
</tr>
<tr>
<td>21</td>
<td>5.921</td>
<td>0.944</td>
</tr>
<tr>
<td>22</td>
<td>5.764</td>
<td>0.971</td>
</tr>
</tbody>
</table>

Note: * n = 89  
** N = 30
Statement 12 recorded the highest positive difference score at 0.309. Management therefore overemphasized the importance of employees' willingness to help frequent flyers.

To determine what effect the individual mean scores had on the SERVQUAL dimensions, average expectation scores were recorded along each dimension. Table 6 illustrates the results of these calculations.

Table 6.
Average Gap 1 Scores Along Each Dimension

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Frequent Flyer Mean Exp.*</th>
<th>Management Mean Exp.**</th>
<th>SERVQUAL Score (2-1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td></td>
</tr>
<tr>
<td>Tangibles</td>
<td>6.101</td>
<td>6.133</td>
<td>0.032</td>
</tr>
<tr>
<td>Reliability</td>
<td>6.344</td>
<td>6.313</td>
<td>-0.031</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>6.084</td>
<td>6.280</td>
<td>0.196</td>
</tr>
<tr>
<td>Assurance</td>
<td>6.059</td>
<td>5.987</td>
<td>-0.072</td>
</tr>
<tr>
<td>Empathy</td>
<td>5.757</td>
<td>5.800</td>
<td>0.043</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>0.168</td>
</tr>
</tbody>
</table>

Note: * n = 89
** N = 30

As indicated by the negative SERVQUAL difference scores, management underestimated frequent flyer expectations on the reliability and assurance dimensions, while they overestimated expectations on the remaining three dimensions (tangibles, responsiveness and empathy).
It could be theorized that, management overestimation of expectations will result in the provision of services that meet or exceed expectations. Based on the research question findings however, this was not apparent, with frequent flyer perceptions consistently falling short of expectations. The overall unweighted expectation score (0.168) suggests that overall, management overestimate frequent flyer expectations.

The underestimation of frequent flyers expectations (although small) highlights Ansett Australia's (W.A. Division) failure to meet expectations along these dimensions.

To reiterate, management tend to overestimate frequent flyer expectations on the tangibles, responsiveness and empathy dimensions, while underestimation is prevalent on the reliability and assurance dimensions. Overestimation however, does not lead to the provision of services that meet frequent flyer expectations. Thus, management accurately perceived frequent flyer expectations, albeit to a greater degree than required, while frequent flyers expectations are not in fact met. These scores do not take into account the relative importance of the dimensions.

Frequency table calculations were performed on the three importance questions at the end of Part II in the management questionnaire (Refer to Appendix E, Managers Questionnaire). Table 7 displays the results of these calculations.
Table 7.

Importance of the SERVQUAL Dimensions

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Most Important</th>
<th>Second Most Important</th>
<th>Least</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>10.0%</td>
<td>26.7%</td>
<td>23.3%</td>
</tr>
<tr>
<td>Reliability</td>
<td>63.3%</td>
<td>13.3%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>13.3%</td>
<td>23.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Assurance</td>
<td>3.3%</td>
<td>23.3%</td>
<td>23.3%</td>
</tr>
<tr>
<td>Empathy</td>
<td>10.0%</td>
<td>13.3%</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

Note: * N = 30

The table shows a total of 63.3% of management believe reliability is the most important dimension, tangibles the second most important (26.7%) and empathy the least important dimension (40%). When management were directed to answer from the frequent flyers point of view, the following relative importance ratings were apparent.

Management believe the reliability of the service is paramount to the provision of excellent service quality. The large standard deviation on the reliability dimension however, suggests a large variability of responses. Management distributed relatively equal number of points among the tangibles and responsiveness dimensions. Although the ranking of dimensions was slightly different in the two questionnaires, (Refer to Table 10) management accurately perceive the relative importance of the dimensions to the frequent flyer.
Table 8.

Management Relative Importance Ratings Allocated Out of 100 Points*

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Mean Rating</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>18.167</td>
<td>7.368</td>
</tr>
<tr>
<td>Reliability</td>
<td>31.833</td>
<td>14.767</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>18.583</td>
<td>7.419</td>
</tr>
<tr>
<td>Assurance</td>
<td>16.250</td>
<td>9.348</td>
</tr>
<tr>
<td>Empathy</td>
<td>15.167</td>
<td>10.544</td>
</tr>
</tbody>
</table>

Note: * N = 30

Table 9.

Management and Frequent Flyer Ranking of Dimensions

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Frequent Flyer Rank</th>
<th>Management Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>23% (2)</td>
<td>18% (3)</td>
</tr>
<tr>
<td>Reliability</td>
<td>24% (1)</td>
<td>32% (1)</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>21% (3)</td>
<td>19% (2)</td>
</tr>
<tr>
<td>Assurance</td>
<td>17% (4)</td>
<td>16% (4)</td>
</tr>
<tr>
<td>Empathy</td>
<td>15% (5)</td>
<td>15% (5)</td>
</tr>
</tbody>
</table>

Note: ** n = 89
* N = 30

Thus, the situation is one where overall, management overestimate frequent flyers expectations while these expectations are not in fact met. Further, management
accurately perceive the relative importance of the dimensions to the frequent flyer. When these weightings are taken into account however, the resulting weighted overall Gap 1 score is 0.113, 0.055 points lower than the unweighted score. The lower weighted score suggests management are not concentrating on dimensions important to frequent flyers. The difference, 0.055 indicates improvements by the transfer of resources to more important dimensions (as perceived by the frequent flyer).

It is therefore apparent that, there is a small gap between management perceptions of frequent flyer expectations and frequent flyer expectations. To determine which factors potentially contribute to Gap 1, Zeithaml et al's. (1990) recommended procedures for measuring antecedents were calculated.

Table 10 reports the results of the average scores on each of the Gap 1 antecedents as compared to the empirical findings reported by Zeithaml et al. (1990). These scores are measured on a 7-point likert scale with higher scores representing more favourable results.

Marketing research orientation is measured by statement 1 to 4, upward communication by statements 5 to 8 and levels of management by statement 9 in the management questionnaire (refer to Appendix E).

Discrepancies between the ideal score, 7 and the average score on each antecedent represent areas for improvement. Results imply, improvements could be made along all antecedents in both studies. The low scores
along the third antecedent (levels of management) suggests, this is a larger problem than either marketing research orientation or upward communication.

Table 10.

Scores on Antecedents Pertaining to Gap 1*

<table>
<thead>
<tr>
<th>Antecedents of Gap 1</th>
<th>Current Study*</th>
<th>Zeithaml, Parasuraman and Berry (1990)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>S.D.</td>
</tr>
<tr>
<td>1. Marketing Research</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orientation</td>
<td>4.0</td>
<td>0.8</td>
</tr>
<tr>
<td>2. Upward Communication</td>
<td>4.5</td>
<td>1.1</td>
</tr>
<tr>
<td>3. Levels of Management</td>
<td>3.4</td>
<td>1.9</td>
</tr>
</tbody>
</table>

Note: * N = 30
- Scores are rounded to facilitate comparison

Although management were previously found to have relatively accurate perceptions of frequent flyer expectations, this knowledge did not result in perceived service quality. The antecedent findings imply that, the size of Ansett Australia (W.A. Division) and multiple levels of management is in fact inhibiting downward communication from upper management to contact personnel. Relatively accurate information on frequent flyers expectations is being blocked by intermediate levels of management, therefore preventing the filtration of information to contact personnel.
Summary of Gap 1 Findings

Management were found to overestimate frequent flyer expectations on the tangibles, responsiveness and empathy dimensions, while they underestimated expectations on the reliability and assurance dimensions. The level of overestimation was so great that, overall, management overestimate frequent flyer expectations.

Reliability and tangibles were perceived by management as the most important dimensions and empathy the least important. When responding from the frequent flyers point of view, similar findings resulted. The discrepancy between the overall unweighted and weighted Gap 1 scores suggests management's failure to concentrate sufficient resources on factors critical to frequent flyers.

Therefore, management tend to overestimate frequent flyer expectations, accurately recognise the important dimensions (to the frequent flyer) but are inhibited by levels of management from disseminating this information to contact personnel.

Subsidiary Question 2.

Is there a discrepancy between management perceptions of frequent flyer expectations and service quality specifications?

Zeithami et al's. (1990, p. 191) procedures for measuring antecedents were calculated on subsidiary
question two (Gap 2). The antecedents of Gap 2 are measured by Part III in the management questionnaire (Refer to Appendix D). Statements 10 to 13 measure management's commitment to service quality (A1), statements 14 to 15 the level of goal setting (A2) in Ansett Australia (W.A. Division), statements 16 to 17 task standardization (A3), and statements 18 to 20 measure the perception of feasibility in the organisation (A4).

Table 11 displays the scores on each one of the antecedents and the overall Gap 2 score, while Figure 4 illustrates these results in diagramatical format. Scores of 7 are the ideal position, the lower the score, the larger the gap.

Table 11.

<table>
<thead>
<tr>
<th>Antecedent</th>
<th>Mean Score</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>3.700</td>
<td>0.950</td>
</tr>
<tr>
<td>A2</td>
<td>4.583</td>
<td>1.509</td>
</tr>
<tr>
<td>A3</td>
<td>5.050</td>
<td>1.206</td>
</tr>
<tr>
<td>A4</td>
<td>4.700</td>
<td>0.770</td>
</tr>
<tr>
<td>GAP 2</td>
<td>4.508</td>
<td>1.109</td>
</tr>
</tbody>
</table>

Note: N = 30
Figure 4 suggests there is opportunity for improvement along all antecedents and the overall Gap 2 score. The first antecedent (A1), management commitment to service quality has the largest gap of the four antecedents. This indicates a lack of management commitment to service quality in Ansett Australia (W.A. Division). As Zeithaml et al. (1990) claims, "contact employees and middle management do not and cannot improve quality without strong leadership from management" (p. 74).

Management scored relatively highly on the third antecedent, task standardization. It can be implied that management in Ansett Australia (W.A. Division) perceive the accurate transformation of frequent flyer expectations into service quality procedures, however there is room for improvement. Opportunities to close Gap 2 and in turn Gap
5 also lie with management setting formal and specific goals and increasing managements confidence in the journey to superior service quality.

**Summary of Gap 2 Findings**

The Gap 2 score (4.51) indicates, management are not accurately transferring the relatively accurate perception of frequent flyer expectations into appropriate performance standards (specifications). This is largely due to a lack of management commitment to service quality but is also reflected in inadequate goal setting, appropriate task standardization and perception of feasibly giving the frequent flyer the level of service they expect.

Thus, there is a discrepancy between management expectations and service quality specifications (an open Gap 2) which contribute to frequent flyers overall negative service quality perception (Gap 5).

**Subsidiary Question 3.**

**Do the service quality specifications in Ansett Australia (W.A. Division) differ from the service delivered to frequent flyers?**

Subsidiary question 3 directly relates to Gap 3 in Parasuraman et al’s. (1985) conceptual model of service quality. Gap 5 is measured by responses received from the contact personnel (Flight Attendants and Traffic Staff).
To examine Gap 3, the presence of informal, formal and the absence of standards in the organisation were assessed along each of the five SERVQUAL dimensions, with employees indicating their ability to meet these standards. The antecedents of Gap 3 were then calculated to ascertain where potential differences in service delivery and specifications occurred.

**Standards in Ansett Australia (W.A. Division)**

The first two sections in the employees questionnaire refer to the presence of standards in Ansett Australia and employees perception of the ability to consistently meet standards (Refer to Appendix E, Employees Questionnaire). Table 12 shows scores along each dimension.

Table 12 indicates employees belief that relatively formal standards exist along all dimension in Ansett Australia (W.A. Division). The highest mean score was recorded on the responsiveness dimension (6.222). High standard deviations were apparent along all dimensions indicating response variability.

Calculations suggest, employee’s felt they were consistently able to meet standards along all dimensions, however they were less able to meet reliability standards. The responsiveness dimension recorded exactly the same mean score in both sections. Employees therefore felt they were consistently able to meet formal standards with regard to the responsiveness of the service.
Table 12.

Mean and Standard Deviation Scores for Gap 3*

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Performance Standards**</th>
<th>Ability to Consistently Meet Standards**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>S.D.</td>
</tr>
<tr>
<td>Tangibles</td>
<td>6.000</td>
<td>0.756</td>
</tr>
<tr>
<td>Reliability</td>
<td>5.972</td>
<td>1.082</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>6.222</td>
<td>1.045</td>
</tr>
<tr>
<td>Assurance</td>
<td>5.611</td>
<td>1.358</td>
</tr>
<tr>
<td>Empathy</td>
<td>5.417</td>
<td>1.538</td>
</tr>
</tbody>
</table>

* n = 36
** 1 = Informal standards, 7 = Formal standards
*** 1 = Unable to meet standards consistently, 7 = Able to meet standards consistently

Thus, employees felt they were consistently able to meet relatively formal standards along each of the SERVQUAL dimensions. However, they were less able to meet standards concerning the reliability of service as compared to other service dimensions. Although employees felt they could consistently meet performance standards, improvements are possible. Antecedents of Gap 3 reveal its overall size and contributing factors, widening Gap 3 and in turn Gap 5.

Antecedents of Gap 3

Underlying antecedents contributing to Gap 3 are measured in the final section of the employees' questionnaire (Refer to Appendix E, Employees...
Questionnaire). Statements 1 to 5 measure the amount of teamwork (A1) in Ansett Australia (W.A. Division), statements 6 to 7 employee-job fit (A2), statement 8 technology-job fit (A3), statements 9 to 12 the level of perceived control (A4), statements 13 to 15 supervisory control systems (A5), statements 16 to 19 role conflict (A6) and statements 20 to 24 the degree of role ambiguity (A7).

Table 13 displays the mean and standard deviation scores for statements 1 to 24 in the employees questionnaire.

Recommended analysis for measuring gap 3 was calculated (Zeithaml et al., 1990, p. 191) along each of the antecedents. The overall Gap 3 score was 4.971 with resulting Gap 3 antecedent calculations displayed in Table 14.
<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean Score</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6.000</td>
<td>1.095</td>
</tr>
<tr>
<td>2</td>
<td>5.083</td>
<td>1.228</td>
</tr>
<tr>
<td>3</td>
<td>6.333</td>
<td>1.171</td>
</tr>
<tr>
<td>4</td>
<td>6.444</td>
<td>0.695</td>
</tr>
<tr>
<td>5</td>
<td>5.667</td>
<td>1.331</td>
</tr>
<tr>
<td>6</td>
<td>6.333</td>
<td>0.862</td>
</tr>
<tr>
<td>7</td>
<td>4.972</td>
<td>0.941</td>
</tr>
<tr>
<td>8</td>
<td>5.556</td>
<td>1.132</td>
</tr>
<tr>
<td>9</td>
<td>3.722</td>
<td>1.783</td>
</tr>
<tr>
<td>10</td>
<td>4.806</td>
<td>1.369</td>
</tr>
<tr>
<td>11</td>
<td>4.556</td>
<td>1.874</td>
</tr>
<tr>
<td>12</td>
<td>4.167</td>
<td>1.859</td>
</tr>
<tr>
<td>13</td>
<td>4.472</td>
<td>1.920</td>
</tr>
<tr>
<td>14</td>
<td>2.500</td>
<td>1.781</td>
</tr>
<tr>
<td>15</td>
<td>2.472</td>
<td>1.647</td>
</tr>
<tr>
<td>16</td>
<td>5.167</td>
<td>1.978</td>
</tr>
<tr>
<td>17</td>
<td>5.472</td>
<td>1.558</td>
</tr>
<tr>
<td>18</td>
<td>4.694</td>
<td>1.704</td>
</tr>
<tr>
<td>19</td>
<td>5.000</td>
<td>1.195</td>
</tr>
<tr>
<td>20</td>
<td>5.000</td>
<td>1.757</td>
</tr>
<tr>
<td>21</td>
<td>5.306</td>
<td>1.721</td>
</tr>
<tr>
<td>22</td>
<td>5.694</td>
<td>1.508</td>
</tr>
<tr>
<td>23</td>
<td>5.111</td>
<td>1.939</td>
</tr>
<tr>
<td>24</td>
<td>4.583</td>
<td>1.991</td>
</tr>
</tbody>
</table>

Note: * n = 36
Table 14.

Mean Scores on Antecedents of Gap 3

<table>
<thead>
<tr>
<th>Antecedent</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>5.906</td>
</tr>
<tr>
<td>A2</td>
<td>5.653</td>
</tr>
<tr>
<td>A3</td>
<td>5.556</td>
</tr>
<tr>
<td>A4</td>
<td>4.313</td>
</tr>
<tr>
<td>A5</td>
<td>3.148</td>
</tr>
<tr>
<td>A6</td>
<td>5.083</td>
</tr>
<tr>
<td>A7</td>
<td>5.139</td>
</tr>
</tbody>
</table>

Note: * n = 36

Mean scores indicate, supervisory control has the largest gap (A5) among the antecedents measuring Gap 3. A closer look at the individual statements comprising this antecedent revealed very low scores on statements 14 (2.500) and 15 (2.472). This implies a lack of recognition and reward for the provision of high quality service to frequent flyers.

The second largest gap was recorded on the perceived control antecedent (A4). The lack of freedom in the job, the time spent on problem resolution and the demand on the employees time may inhibit employees ability to satisfy frequent flyer needs.

All other antecedents recorded relatively high scores, indicating that employees feel they are part of a team, are
able to perform the job, have the necessary tools to perform the job, and have relatively low role conflict and role ambiguity in the position held. The overall Gap 3 mean score (4.971) indicates, the service delivered does not match service specifications. The difference between the present and ideal state (a score of seven) presents opportunities for improvements.

**Summary of Gap 3 Findings**

Employees in Ansett Australia (W.A. Division) believe the company has relatively formal standards for each of the SERVQUAL dimensions. They felt they were consistently able to meet standards, however were unable to meet reliability specifications as well as the other four dimensions.

The presence of Gap 3, employees inability to truly satisfy frequent flyer needs, is largely a result of a lack of supervisory control systems and perceived control. Employees are so busy trying to satisfy a number of frequent flyer needs, while restricted to formal performance standards and receiving little recognition for their efforts that service quality is sacrificed.

In order to close Gap 3 and therefore Gap 5, these problems should be addressed, with efforts made to increase the fit between service delivery and service quality specifications across all dimensions and all antecedents.
Subsidiary Question 4.

Is there a discrepancy between the promised service promoted through external communication and the actual service delivered?

The third section and statements 25 to 30 in the employees questionnaire, were used to address subsidiary question four and Gap 4 in Parasuraman et al.'s. (1985) conceptual model of service quality. Mean and standard deviation scores were calculated to ascertain employees perceptions of their ability to consistently meet the promised service promoted through external communication. Antecedents of Gap 4 were then investigated to identify the cause of discrepancies.

The third section of the employees questionnaire, measures employees perception of their ability to consistently meet promises (promoted through external communication) on each one of the SERVQUAL dimensions. Table 15 displays the resulting mean and standard deviation calculations along all dimensions for the 36 employee respondents.
Table 15.

Mean and Standard Deviation Scores for Gap 4*

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Mean Score</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>5.806</td>
<td>0.951</td>
</tr>
<tr>
<td>Reliability</td>
<td>5.611</td>
<td>1.050</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>5.861</td>
<td>1.046</td>
</tr>
<tr>
<td>Assurance</td>
<td>5.389</td>
<td>1.103</td>
</tr>
<tr>
<td>Empathy</td>
<td>5.222</td>
<td>1.222</td>
</tr>
</tbody>
</table>

Note: * n = 36

Mean scores indicate, employees are most capable of meeting promises made along the responsiveness dimension. Promises made regarding the empathy of employees are least able to be met when compared to other service quality dimensions. An overall mean score of 5.578 indicates, employees are able to meet promises made in external communications. Employees therefore perceive the provision of services to be relatively consistent with the advertised image.

The overall Gap 4 score calculated using Zeithaml et al.'s. (1990, p. 191) recommendations reveals a large gap at 3.709. Figure 5 displays the antecedents which contribute to the large gap.
Statements 25 to 28 measure horizontal communication (A1) within Ansett Australia (W.A. Division), while statements 29 to 30 (A2) measure the propensity to overpromise (Refer to Appendix E, Employees Questionnaire). Due to the large gaps on each of these antecedents a closer examination of individual statements is required (Refer to Table 16).

An examination of individual statements within the antecedent, horizontal communication, revealed the core statements contributing to the large gap. Statement 25 recorded an extremely low mean score at 1.861. Employees strongly agree that they are not consulted on the realism of promises made in advertisements. Statement 26
Note: * N = 30

and 28 recorded relatively high mean scores at 5.139 and 5.000. These statements contributed minimally to the large gap. Statement 27 however, revealed a low mean score at 2.722, implying a lack of communication between contact personnel and operations people on the quality of service delivered to frequent flyers.

Thus, the wide gap recorded on the horizontal communication antecedent is largely a result of a lack of employee input into the realism of promises in advertisements and the lack of interaction between operations staff and contact personnel regarding the servicing of frequent flyers. Employees felt they are relatively aware of advertisements in advance and have consistent policies on servicing frequent flyers in the different offices.
Two statements are used to measure the antecedent, propensity to overpromise, statements 29 and 30. A low score was recorded on statement 29 (2.611) indicating, the intensiveness of competition is creating pressures to generate new business. Statement 30 recorded a somewhat higher mean score (4.861), however employees felt that overpromising was a problem in Ansett Australia (W.A. Division).

Summary of Gap 4 Findings

Findings suggest, employees perceive they are consistently able to meet promises made through external communications. The large Gap 4 score (3.709) however, indicates opportunities to close the gap by facilitating horizontal communication and preventing the tendency to overpromise.

Pressures to overpromise increase frequent flyer expectations of the service which may diminish perceived service quality (Gap 5). Thus, frequent flyers will be disappointed when they do not receive the level of service advertised.
Conclusion of Results

Data was analysed in order to address the research question and four subsidiary questions for the analysis of service quality in Ansett Australia (W.A. Division). Overall, Ansett Australia (W.A. Division) recorded favourable mean perception scores on the SERVQUAL dimensions. It was found that these perceptions did not exceed expectations, resulting in perceived service quality shortfalls along each dimension. The most important dimension, reliability recorded the largest negative SERVQUAL score.

An analysis of the four gaps in each of the subsidiary questions, revealed, management have relatively accurate perceptions of frequent flyer expectations but the levels of management are inhibiting communication of expectations to contact personnel. In addition, management were found to have a lack of commitment to service quality which resulted in a discrepancy between management perceptions of frequent flyer expectations and service quality specifications.

Employees feel the organisation has relatively formal standards but they are consistently able to meet these standards. Identification of antecedents revealed the presence of Gap 3, which was largely a result of inadequate supervisory control systems and perceived control. Finally, employees felt they were consistently able to meet promises made through external communications but they were
unable to do so because of insufficient horizontal communication systems and the tendency to overpromise.

Overall results suggest that a number of improvements in Ansett Australia (W.A. Division) may be necessary in order for frequent flyers to perceive high service quality. A strategic view of service quality is proposed to ensure pre-competitive strategy success.
CHAPTER 7: DISCUSSION

Discussion of Results

Based on an analysis of results, the research question and subsidiary questions were found to have key gaps which contribute to the overall perception of negative service quality in Ansett Australia (W.A. Division). Frequent flyers' perceived Ansett Australia (W.A. Division) as performing well along all dimensions, however the organisation consistently failed to meet frequent flyers' expectations. The provision of good service is not sufficient if expectations are not met. Failure to provide the level of service frequent flyers expect may lead to disappointment and the overall perception of inadequate service quality.

Frequent flyers perceive reliability as the most important dimension, while Ansett Australia (W.A. Division) performs worst along this dimension. A number of other studies (Fick & Ritchie, 1991; Parasuraman et al., 1986; Saleh & Ryan, 1991) found similar results. Fick and Ritchie's (1991) investigation of service quality in four travel and tourism sectors found that in all four sectors and along all dimensions, the level of service provided by the organisation fell short of customers expectations. It should be noted that Fick and Ritchie (1991) replicated the original 1986 SERVQUAL instrument which contained
negatively worded statements on the responsiveness and empathy dimensions.

The current study was based on a revised replicated version of the instrument which removed all negatively worded statements. Even with these changes, similar results were found between the two studies. In addition, Parasuraman et al.'s (1986) study in the banking services sector and Saleh and Ryan's (1991) investigation compared favourably with the current study.

Thus, both the current study and a number of previous studies have found that customers consistently perceive the service organisation as failing to meet their expectations along each of the SERVQUAL dimensions. The minimal difference between frequent flyers' mean expectation and perception scores is unlikely to deter them from using the airlines service. An improvement in the organisations service level, may however serve as a useful pre-competitive strategy, thereby maintaining customer patronage.

A comparison between Fick and Ritchie's (1991) investigation of the airline sector and the current analysis of service quality in Ansett Australia (W.A. Division) revealed a number of disparate findings. Table 17 compares the results of these calculations.

Fick and Ritchie's (1991) customers have lower expectations than frequent flyers along a number of dimensions (tangibles, reliability and assurance). The
current study recorded higher expectation levels on the remaining two dimensions (responsiveness and empathy).

The lower scores on the responsiveness and empathy dimensions in Fick and Ritchie's (1991) study, may be a result of negatively worded statements used in these dimensions. From empirical investigations, Parasuraman et al. (1991) found "the standard deviations for the negatively worded expectations items were consistently higher ... than for the positively worded expectations items." (p. 422) The two highest standard deviation scores were recorded on the responsiveness and empathy dimensions in Fick and Ritchie's (1991) study. This highlights the possible confusion with negatively worded statement sets.

To reiterate, the current study recorded lower mean scores on the tangibles, reliability and assurance dimensions, while higher mean scores were recorded on the responsiveness and empathy dimensions in Fick and Ritchie's (1991) airline sector investigation. The higher mean scores recorded on the responsiveness and empathy dimensions may be misleading due to the inclusion of negatively worded statement sets in the comparative study. Negatively worded statements were not used in the current study, due to confusion produced among customers in Parasuraman et al's. (1991) research.
Table 17.
Expectation and Perception Scores in the Airline Industry

<table>
<thead>
<tr>
<th>Dimension</th>
<th>CURRENT STUDY*</th>
<th>PICK AND RITCHIE (1991): AIRLINE**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean Score</td>
<td>S.D.</td>
</tr>
<tr>
<td>Expectations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangibles</td>
<td>6.10</td>
<td>0.63</td>
</tr>
<tr>
<td>Reliability</td>
<td>6.34</td>
<td>0.40</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>6.08</td>
<td>0.62</td>
</tr>
<tr>
<td>Assurance</td>
<td>6.06</td>
<td>0.54</td>
</tr>
<tr>
<td>Empathy</td>
<td>5.76</td>
<td>0.70</td>
</tr>
<tr>
<td>COMBINED SCALE</td>
<td>6.07</td>
<td>0.58</td>
</tr>
<tr>
<td>Perceptions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangibles</td>
<td>5.80</td>
<td>0.58</td>
</tr>
<tr>
<td>Reliability</td>
<td>5.65</td>
<td>0.69</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>5.91</td>
<td>0.58</td>
</tr>
<tr>
<td>Assurance</td>
<td>5.86</td>
<td>0.60</td>
</tr>
<tr>
<td>Empathy</td>
<td>5.55</td>
<td>0.68</td>
</tr>
<tr>
<td>COMBINED SCALE</td>
<td>5.75</td>
<td>0.63</td>
</tr>
</tbody>
</table>

Note: * n = 89  
** n = 186 (Average)

Based on mean responses, reliability was found to be the most important dimension influencing expectations in the current study (6.34), in two of Fick and Ritchie’s (1991) travel and tourism sectors (the airline sector, 6.46 and hotel sector, 6.43), in Parasuraman et al’s. (1986) original banking services study and Fick and Ritchie’s
(1991) banking sector replication findings. Reliability was also consistently found to be the second most important dimension in the remaining two sectors (restaurant, 6.18; ski area, 6.11) of Fick and Ritchie’s (1991) investigation. Further, LeBlanc’s (1992) study of travel agencies found the competitiveness dimension (reliability) to be most important.

Mean responses indicated frequent flyers’ perception of Ansett Australia’s (W.A. Division) highest performance along the responsiveness and assurance dimensions. Customers in Fick and Ritchie’s (1991) four travel and tourism sectors and the banking service sector, indicated the company’s strongest performance along the tangibles dimension. This finding was also found by Parasuraman et al. (1986) and reported in Zeithaml et al’s. (1990) works. These disparate findings may be due to different methods of investigation and service settings.

Ansett Australia (W.A. Division) performs best along the responsiveness and assurance dimensions, however these dimensions are of less importance than the reliability and tangibles dimensions. Thus, Ansett Australia (W.A. Division) may need to review its allocation of resources, shifting emphasis to the reliability and tangibles dimension, but overall improving its service along all dimensions.

Although findings from the research question give a good indication of performance along each dimension, an analysis of subsidiary questions provides additional
insights on why frequent flyers perceive an overall negative SERVQUAL score.

Subsidiary question one reveals, management accurately perceive frequent flyer expectation, albeit they tend to overestimate these expectations on a number of dimensions (tangibles, responsiveness and empathy). These findings are similar to Lewis and Klein (1987) and Saleh and Ryan's (1991) investigations. Lewis and Klein (1987) found management consistently anticipated guests' expectations while Saleh and Ryan's (1991) study found, management overestimated guests' expectations on 14 out of 33 items.

The relatively accurate information along these dimensions (tangibles, responsiveness and empathy) does not result in the provision of services meeting expectations as evidenced in the research question. Management may be inhibited by the multiple levels of management in the organisation. By the time the information is filtered down through the ranks, contact personnel may receive a somewhat distorted parcel of information on frequent flyer expectations.

Underestimated expectations along the reliability and assurance dimensions, are likely to produce even more service quality underestimation in the lower ranks. This may account for the organisation's failure to provide the expected service (Research question). In order to close the gap between frequent flyers' expectations and
perceptions, management should first address this problem.

The organisation may do this by either removing the intermediate levels of management, producing a more decentralized organisation, or management could be encouraged to make themselves more amenable to contact personnel. It can be implied that, management feel the recent move towards a more centralized structure of operation is preventing effective downward communication.

The problem may be rooted in the centralization of the Western Australian Division into Ansett Australia's operation. The necessity to go through Melbourne's head office may reduce the flexibility and expediency with which information travels through the ranks. Improvements in marketing research orientation and upward communication would also contribute to the closure of Gap 1 and in turn Gap 5.

Even though management overestimate frequent flyer expectations, subsidiary question 2 suggests a lack of management commitment to service quality. Inadequate management commitment was the key factor contributing to the gap between management perceptions of customer expectations and service quality specifications. These results parallel empirical findings reported in Zeithaml et al's. (1990) works. In four of the five companies studied, the author found management commitment was consistently reported with the largest gap. In the remaining company, it equally recorded the largest gap. Disparate findings
were recorded on the remaining three antecedents between companies.

In order to close this gap, management should be committed to quality service and ensure this commitment is obtained from middle management. Upper level management should visibly, constantly and purposefully express their commitment to service quality. In Zeithaml et al's. (1990, p. 74) words "contact employees and middle management do not and cannot improve quality without strong leadership from management."

Middle level management should communicate this commitment by accurately communicating service standards, setting standards and reinforcing them. Improvements to close Gap 2 can also be made through fostering innovation in the organisation, and improving automation, thereby freeing contact personnel and setting service quality goals.

To reiterate, negative SERVQUAL scores along all 5 dimensions indicate, frequent flyers expectations are not being met by Ansett Australia (W.A. Division). Subsidiary questions 1 and 2 revealed key contributing factors to the negative overall SERVQUAL score. The levels of management may inhibit relatively accurate information transfer to contact personnel, while findings indicate the lack of management commitment in the organisation. Management therefore have relatively correct information on customers expectations but may either have a lack of commitment to
service quality or are not communicating this commitment through the organisational ranks.

When the information on frequent flyer expectations is converted into service quality specifications, customer contact employee’s must then perform the service to meet expectations. Findings from subsidiary question three indicate, employees perceive relatively formal standards in Ansett Australia (W.A. Division). Employees feel they are able to meet these standards along all dimensions, with the exception of the reliability dimension. Inability to meet expectations on the reliability dimension (as compared to other dimensions) and the existence of Gap 3 is largely due to inadequate supervisory control systems and perceived control.

A number of techniques may be used to reduce the lack of supervisory control systems in the organisation. Behavioural control systems may be used to continually measure employees performance. Recognition of employees performance and appropriate reward systems may be introduced. These reward systems encourage employees to meet service quality standards. Rewarding employees for providing a reliable service is recommended as a step to reduce this gap.

Management should also spend time empowering the employee to reduce the gap on the perceived control antecedent. The organisations relatively formalized policies and procedures may in fact be inhibiting the
employees flexibility in threatening situations. The multiple levels of management may also contribute to this problem, due to the slow decision making process of the organisation. Employees may feel they are able to meet standards along all dimensions (except reliability) but they are being inhibited by the organisation because of rigid service quality specifications. Employees may not feel they have the power to make important decisions in the organisation. Empowerment of decision making should be developed in the organisation and pushed down to the lowest levels.

Ansett Australia (W.A. Division) received relatively good ratings for the remaining antecedents of gap 3. Improvements however can be made along all antecedents. The provision of services that meet specifications may reduce the size of Gap 3 and facilitate the service quality journey (Closing Gap 5).

Employee responses regarding subsidiary question four reveals high mean scores, indicating employees feel they are able to consistently meet promises advertised through external communications. Employees felt they were most able to meet the responsiveness claim and least able to meet promises made on the empathy dimension. Overall, employees felt they were able to provide the service advertised.

When antecedents of subsidiary question four were analysed however, employees indicated that inadequate horizontal communication and a propensity to overpromise
was prevalent in the organisation. Horizontal communication lines may be opened by direct interaction between advertisers and customer contact personnel. Involvement in advertising fosters employee commitment as well as giving frequent flyers an accurate view of what they can expect from service delivery.

A low mean score was also recorded on statement 27, suggesting operations people and customer contact staff need to meet either informally or formally to clarify issues. Operations staff can witness first hand frequent flyers demands by becoming involved in face-to-face meetings with frequent flyers.

The researcher witnessed steps to improve this aspect of service in a meeting with the Frequent Flyer Program Director, contact personnel and operations staff during the year (1993). Discussions focused on problems customer contact personnel have had with the operations of the frequent flyer system and attempts were made to improve this situation. Operations and contact personnel were beginning a program of role reversal, where operations staff serve on the counter for a period of time while contact personnel reside in the operations department.

Results on the antecedent, propensity to overpromise suggests that deregulation has resulted in increased pressures within Ansett Australia (W.A. Division) to generate new business. To accomplish this, the organisation may be overpromising in its advertising and other communications. Empirical study finding recorded in
Zeithaml et al's. (1990) works indicate similar low mean scores on Gap 4 antecedents across all five companies studied. With the exception of company 2, all five companies scores indicate the presence of overpromising in the industries in which they compete.

Primary quality determinants, such as the reliability dimension should be emphasised due to its importance to the frequent flyer, but failure to deliver adequate levels of reliability may have contributed to the gap in the research question.

In light of this, Ansett Australia (W.A. Division) should review its resource allocation among the five SERVQUAL dimensions. This will enable the allocation of resources to dimensions most important to the frequent flyer, and ultimately to their perception of high service quality in Ansett Australia (W.A. Division).
CHAPTER 8.
CONCLUSION

The analysis of service quality in Ansett Australia (W.A. Division) has provided the organisation with a basic guide from which they may improve the level of service quality to one of their most valued customer segments, the frequent flyer. The research has also demonstrated the usefulness of the SERVQUAL instrument and conceptual model of service quality in the travel and tourism industry.

Results suggest, a service quality gap exists between frequent flyer expectations and perceptions in Ansett Australia (W.A. Division). Research question findings indicate Ansett Australia's inability to provide the level of service quality frequent flyers expect. Although the organisation is performing a good service, the discrepancy between expectations and perceptions may lead to frequent flyer disappointment with the service organisation. The largest service quality gap was recorded along the most important dimension, reliability. A shift of resources to the most important elements of service is required to reduce this discrepancy.

Four subsidiary questions were investigated to determine the cause of the negative SERVQUAL scores. Subsidiary question 1 revealed management's relatively accurate perception of frequent flyer expectations. Management accurately interpret frequent flyer expectations
however, the levels of management in the organisation inhibits the transfer of information to contact personnel.

Findings on subsidiary question 2 reflects managements accurate perception of frequent flyer expectations, but inability to convert this information into service quality specifications. This is largely due to a relatively low level of management commitment to service quality. Thus, the discrepancy between management expectations and service quality specifications (or performance standards) contributes to frequent flyers overall negative evaluation of service quality.

Subsidiary question 3 indicated a small discrepancy between service delivery and specifications in Ansett Australia (W.A. Division). Employees are able to meet the relatively formal standards in the organisation, with the exception of reliability performance standards. The principle factors leading to this situation are a lack of supervisory control systems and perceived control within the organisation.

Results on subsidiary question 4 show employees ability to meet promises made through external communication, however they are inhibited by a lack of horizontal communication and tendency to overpromise.

Overall, Ansett Australia (W.A. Division) received relatively high mean perception scores along all dimensions, however these perceptions did not meet the frequent flyers expectations. Results suggest the organisation should focus on the reliability dimension
which is rated as the most important dimension. Although reliability is rated as the most important dimension, Ansett Australia (W.A. Division) performs worst along this dimension.

Ansett Australia (W.A. Division) may improve the level of service quality to the frequent flyer by addressing subsidiary questions and the antecedents of the conceptual gaps. Each one of these gaps needs to be closed for the frequent flyer to perceive overall service quality (Gap 5).

The use of three perspectives (frequent flyers, contact-personnel and managers) provided a more in-depth and accurate perception of service quality in Ansett Australia (W.A. Division) than if they were used alone.

Results presented are generalisable to theory but may provide a comparison to which future researchers can investigate the travel and tourism industry in Western Australia. The issue of service quality measurement is still being developed and refined. The lack of research in Western Australia provides marketing academics with a rare opportunity to contribute to the service quality literature.

Service quality is paramount in both highly competitive and monopolistic environments. Organisations holding a monopolistic position in the market must maintain a certain level of quality service to ensure customer patronage. Under a deregulated market, the barriers to entry are diminished, thereby creating opportunities for new entrants. Concentration of superior customer service
is essential in the shift from a monopolistic to competitive environment.

Pre-competitive and competitive strategies both rely on the fulfilment of customer expectations in a service firm. The theoretical approach presented in this research provides organisations with a comprehensive understanding of the importance service quality plans in the overall evaluation of an organisation.

The analysis of service quality can be used across a number of service settings to facilitate both pre-competitive and competitive strategy developments. In addition, the dyadic perspectives allows the analysis of service quality from different viewpoints. The key to perceived service quality, may therefore lie in the ability to fulfil and exceed customer expectations.

An organisations investigation into the level of perceived service quality will benefit by the combination of both the SERVQUAL instrument and conceptual gaps model. More in-depth analysis may be performed by using focus group interviews to assess specific problem areas.

The performance of superior service is essential for Western Australia. The travel and tourism industry is heavily reliant on customers positive assessment of service quality to generate new business. A greater understanding of the implications of service quality to both the organisation and state highlights its importance in the 1990s.
Every organisation whether in a monopolistic or competitive position should have a comprehensive understanding of customers service quality perceptions. An accurate perception of service quality is the first step to superior service quality and survival into the 1990s and beyond.

Areas for Future Research

Due to time, cost and informational constraints the researcher was constrained in the method that could be applied to the research. The current study is considered to be phase one of an ongoing investigation into service quality measurement and improvement. A number of areas are suggested for further research:

1. Explore the adaptability of SERVQUAL and the gap analysis in a number of service settings, both within the same industry and in different industries.
2. Using factor analysis, cluster analysis and principle components to examine the psychometric properties of the SERVQUAL scale in the travel and tourism industry.
3. Adapting the SERVQUAL instrument and gap analysis for the comparison of travel and tourism sectors or examining segments with differing quality perceptions.
4. Tracking customers expectations and perceptions over time to investigated changes in perceptions, expectations, and the relative importance of dimensions.
REFERENCES


APPENDIX B

The Ten Dimensions of Service Quality:

1. **Tangibles**: Appearance of physical facilities, equipment, personnel, and communication materials.
2. **Reliability**: Ability to perform the promised service dependably and accurately.
3. **Responsiveness**: Willingness to help customers and provide prompt service.
4. **Competence**: Possession of the required skills and knowledge to perform the service.
5. **Courtesy**: Politeness, respect, consideration, and friendliness of contact personnel.
6. **Creditability**: Trustworthiness, believability, honesty of the service provider.
7. **Security**: Freedom from danger, risk, or doubt.
8. **Access**: Approachability and ease of contact.
9. **Communication**: Keeping customers informed in language they can understand and listening to them.
10. **Understanding the Customer**: Making the effort to know customers and their needs.

(Source: Zeithaml, Parasuraman & Berry, 1990, p. 21, 22).
APPENDIX C

Phase 1: Exploratory Qualitative Research

The first phase focused on the way in which customers and service-firm executives perceive and evaluate service quality, in order to develop a conceptual model of service quality. This phase was to become the basis for the quantitative analysis and development of SERVQUAL. The approach used in the exploratory phase is consistent with a number of scholars (Deshpande, 1983; Peter & Olsen, 1983; Zaltman, LeMasters, & Heffring, 1982; cited in Parasuraman et al., 1985) recommendations for development of a marketing theory.

Four service categories were selected for the research: retail banking, credit card, securities brokerage, and product repair and maintenance. These service sectors vary along key elements as defined by Lovelock (1983). A broad spectrum of consumer service sectors were chosen to ensure generalisability of findings.

Executive Interviews

A nationally recognised company from each of the service sectors was chosen. To determine how service firm executives view service quality, in-depth, face-to-face, open ended question interviews were conducted with three or four executives in each of the four service firms.

Fourteen executives in total were interviewed with questions relating to, for example, "what they perceived to
be service quality from the consumer's perspective, what steps they took to control or improve service quality and what problems they faced in delivering quality services." (Parasuraman, et al., 1985).

**Focus Group Interviews**

A total of twelve focus-group interviews, three for each of the four selected service categories were conducted. Formation of the focus groups was in accordance with "traditional marketing research guidelines". (Bellenger, Berhardt & Goldstucker, 1976; cited in Parasuraman et al., 1985).

The researchers ensured respondents were recent users of the service (within the last 3 months). Focus groups consisted of between eight and twelve respondents, assigned on the basis of sex and age, to ensure a high participation level. Focus groups were conducted in various parts of the United States to ensure geographic diversity of respondents.

Topics covered included, for example, "instances of, and reason for satisfaction and dissatisfaction with the service, descriptions of an ideal service ..., the meaning of service quality; factors important in evaluating service quality; and performance expectations concerning the service." (Parasuraman, et al., 1990, p. 18).

From the exploratory investigation, results indicated consumers evaluate service quality based on the "discrepancy between customers' expectations and
perceptions." (Parasuraman, et al., 1990, p. 20). Key factors that influence expectations were identified (previously discussed) and ten distinct dimensions used in evaluation and assessment of service quality identified (Refer to Appendix B). This research also revealed a number of gaps within the service firms, which may have a strong influence on how customers perceive service quality. This gaps assessment is the basis of the theoretical framework.

**Phase 2: Empirical Quantitative Investigation**

The objective of the second phase was to "develop a comprehensive but parsimonious instrument for measuring customer perceptions of service quality and gaining a more in-depth understanding of organizational shortfalls that have an impact on service quality and how such shortfalls can be corrected." (Berry et al., 1988).

Based on Parasuraman et al's, (1988) definition of service quality and the results of phase 1, ten dimensions were identified in the service quality domain. This lead to the generation of 97 items (approximately ten per dimension) which were subsequently divided into two statements. One for the measurement of expectations and the other measuring perceptions about the particular service firm under investigation.

A 7-point likert scale, ranging from 7 (strongly agree) to 1 (strongly disagree) followed each statement. No verbal labels accompanied points two through six. In
the original SERVQUAL instrument, approximately half the statement pairs were worded positively and the other half negatively, in accordance with Churchill's (1979) recommendations for scale development.

Data Collection and Scale Development

Stage 1: Data Collection

Initial refinement of the 97-item instrument was conducted by the use of a quota sample of 200 adult respondents, (25 years or over), in a metropolitan shopping mall in the Southwest. Forty recent users (past 3 months) from five service categories: appliance repair and maintenance, retail banking, long-distance telephone, securities brokerage, and credit cards were used in the sample. The service categories represented a broad cross-section of services based on a number of dimensions used by Lovelock (1983).

The 97-item instrument was self-administered in two parts. Part one contained the 97-statements about customers expectations of service firms within the service category. Part two used an identical set of statements to part one, except respondents revealed their perceptions about a service firm in the category.

Stage 2: Scale Purification

Data were pooled from the five service categories to test its reliability and general applicability.
Purification of the instrument using coefficient alpha (Cronbach, 1951; cited in Parasuraman et al., 1988) for each of the ten dimensions separately facilitated analysis of shared dimensions.

Coefficient alpha's, were computed using difference scores. Difference scores were computed for each item by subtracting the expectation score from perceptions, \( Q = P - E \). The coefficient alpha values varied from 0.55 to 0.78 among the dimensions, implying a deletion of items was necessary. Low correlation items were deleted, with the process repeated several times, resulting in 54 items with coefficient alpha values between .72 and .83 across the ten dimensions.

The dimensionality of the 54-item instrument was tested using factor analysis computations. A principal axis factoring procedure was used from Harman (1967). Orthogonal rotation on the ten-factor solution, produced high loadings on a number of factors, implying non-mutually exclusive factors among the 10 conceptualised dimensions identified in Parasuraman et al.'s, (1985) works. Reassignment and removal of items were recomputed as above and then repeated a number of times to test the factor structure of the 54-item set.

A 34-item set, with seven distinct dimensions was resulted from the testing. From the original ten dimensions, tangibles, reliability, responsiveness, understanding/ knowing customers, and access remained mutually exclusive and distinct. Communication,
credibility, security, competence, and courtesy alpha's and factor loadings overlapped somewhat, resulting in these dimensions forming two groups with items from the five overlapping dimensions.

Good reliability and internal consistency within each of the seven dimensions was evidenced from the high alpha values. The combined reliability of the 34-item scale was high $\alpha = .94$ computed from linear combinations.

The SERVQUAL construct developed by Parasuraman et al. (1988) will be used in the analysis of service quality. Its development and subsequent testing show good reliability and validity measures. The research conducted by Parasuraman et al. (1985, 1986) to develop the SERVQUAL instrument, its dimensions and theoretical investigations consisted of two distinct phases: An exploratory qualitative phase and an empirical quantitative phase.

To summarize the development of the service quality instrument, the 97-items representing the ten dimensions were tested by collection of expectation and perceptions data from a sample of 200 respondents (current users) in five service categories. The scale was purified using item-to-total correlation calculation, resulting in deletion of a number of low correlation items and removal of items which increased the coefficient alpha score.

A 54-item scale resulted, which was subsequently factor analysed, verifying the dimensionality of the scale.
Scale purification steps were repeated and a number of items were reassigned and restructured to produce a 34-item scale. The 34-item scale comprised seven dimensions from the original ten conceptualised in Parasuraman et al, (1985) works.

Stage 2: Data Collection
The 34-item scale was tested by the collection of data from four nationally-known firms: a bank, credit-card company, a firm offering appliance repair and maintenance services and a long-distance telephone company. Procedures, sample size, and characteristics of respondents were the same as the first stage of data collection. The purpose of this stage was to test the 34-item scale's "psychometric properties." (Parasuraman et al., 1988).

To recapitulate the second stage of the process, the 34-item scale representing seven dimensions was tested with a new sample of 200 respondents using four service firms. The interactive sequence of scale purification followed in stage one was again repeated in stage two. This lead to the identification of a number of overlapping dimensions. A refined set of five dimensions resulted.

Stage 2: Scale Purification
The robustness of the 34-item scale was evaluated using the four service firms. Data was collected from each of the four samples separately. Its alpha values, item-to-total correlation, and factor analysis (with oblique
rotation) was calculated for the seven-item solution, (the same as stage one's scale purification procedures).

Results from each sample were cross-validated with the other samples.

Low item-to-total correlation computations for a number of dimensions (communication, credibility, security and access) and their corresponding alpha values indicated the 34-item instrument required further purification. The factor-loading matrixes from each of the four firms showed extensive overlap between communications, credibility, security, competence and courtesy, and between understanding/knowing customers and access.

Item-to-total correlation results lead to the deletion of a number of items. As the factor-loading matrixes indicated, the dimensions, communication, credibility, security, competence and courtesy were combined into one dimension. Understanding/knowing customers and access combined to form another dimension.

For each of the four samples, the alpha correlation values were recomputed for the refined set of five dimensions. The interactive sequence of scale purification was again calculated. This procedure produced a parsimonious instrument, called SERVQUAL (Service Quality).
Antecedents of Gap 1. (Subsidiary question 1)

1. **Marketing Research Orientation**: Extent to which managers make an effort to understand customers' needs and expectations through formal and informal information-gathering activities.

2. **Upward Communication**: Extent to which top management seeks, stimulates, and facilitates the flow of information from employees at lower levels.

3. **Levels of Management**: Number of managerial levels between the topmost and bottommost positions.

Antecedents of Gap 2. (Subsidiary question 2)

1. **Management Commitment to Service Quality**: Extent to which management views service quality as a key strategic goal.

2. **Perception of Feasibility**: Extent to which managers believe that customer expectations can be met.

3. **Task Standardization**: Extent to which hard and soft technology are used to standardize service tasks.

4. **Goal-Setting**: Extent to which service quality goals are based on customer standards and expectations rather than company standards.
Antecedents of Gap 3. (Subsidiary question 3)

1. **Role Uncertainty**: Extent to which employees are uncertain about what managers or supervisors expect from them and how to satisfy those expectations.

2. **Role Conflict**: Extent to which employees perceive that they cannot satisfy all the demands of all the individuals (internal and external customers) they must serve.

3. **Employee-Job Fit**: The match between the skill of employees and their jobs.

4. **Technology-Job Fit**: The match between the skill of employees and their jobs.

5. **Supervisory Control Systems**: The appropriateness of the evaluation and reward systems in the company.

6. **Perceived Control**: Extent to which employees perceive that they can act flexibly rather than rote in problem situations encountered in providing services.

7. **Teamwork**: Extent to which employees and managers pull together for a common goal.

Antecedents of Gap 4 (Subsidiary question 4)

1. **Horizontal Communication**: Extent to which communication occurs both within and between different departments of a company.
2. **Propensity to Overpromise**: Extent to which a company's external communications do not accurately reflect what customers receive in the service encounter.

(Source: Zeithaml, Parasuraman., & Berry, 1990, p. 53, 73, 92, 93, & 117).
Dear Sir/Madam

I am investigating the quality of service in Ansett Australia and the extent to which Ansett Australia meets your expectations of an excellent airline company.

This survey is being conducted as part of an Edith Cowan University Honours Program. I would appreciate your individual response in this study.

Responses will remain confidential with Ansett Australia receiving aggregated results only. Your contribution to this study is greatly appreciated.

Thank you for your co-operation.

Yours sincerely,

Marc Saupin
Lecturer
Department of Marketing
Faculty of Business

[Zeithaml, V., Parasuraman, A. and Berry, L.L. 1990. Delivering Quality Service. USA, New York, The Free Press. (Revised SERVQUAL instrument was used in this analysis.)]
FREQUENT FLYERS QUESTIONNAIRE

Part I is designed to determine your service expectations from an excellent airline company. Part II weights these elements in order of importance, and Part III uses identical questions to Part I in examining your perception of Ansett Australia as a service organization.

PART 1 - Directions: Please circle the number on the scale, to show the extent to which you feel an excellent airline company should possess the feature described.

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th></th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Excellent airline companies will have modern-looking equipment.</td>
<td>1 2 3 4 5</td>
<td>6 7</td>
<td></td>
</tr>
<tr>
<td>2. The facilities at airline companies will be visually appealing.</td>
<td>1 2 3 4 5</td>
<td>6 7</td>
<td></td>
</tr>
<tr>
<td>3. Employees at airline companies will be neat in appearance.</td>
<td>1 2 3 4 5</td>
<td>6 7</td>
<td></td>
</tr>
<tr>
<td>4. Frequent flyer pamphlets or statements will be visually appealing in an airline company.</td>
<td>1 2 3 4 5</td>
<td>6 7</td>
<td></td>
</tr>
<tr>
<td>5. When airline companies promise to do something by a certain time, they will do so.</td>
<td>1 2 3 4 5</td>
<td>6 7</td>
<td></td>
</tr>
<tr>
<td>6. When a regular customer has a problem, excellent airline companies will show a sincere interest in solving it.</td>
<td>1 2 3 4 5</td>
<td>6 7</td>
<td></td>
</tr>
<tr>
<td>7. Airline companies will perform the service right the first time.</td>
<td>1 2 3 4 5</td>
<td>6 7</td>
<td></td>
</tr>
<tr>
<td>8. Airline companies will provide their services on time (eg, flights).</td>
<td>1 2 3 4 5</td>
<td>6 7</td>
<td></td>
</tr>
<tr>
<td>9. Airline companies will insist on error-free records (eg, frequent flyer statements).</td>
<td>1 2 3 4 5</td>
<td>6 7</td>
<td></td>
</tr>
<tr>
<td>10. Employees in airline companies will tell frequent flyers exactly when frequent flyer point will be available for use.</td>
<td>1 2 3 4 5</td>
<td>6 7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td></td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>---</td>
<td>------------------</td>
<td>---</td>
<td>----------------</td>
</tr>
<tr>
<td><strong>11. Employees in airline companies will give prompt service to frequent flyers.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>12. Employees in excellent airline companies will always be willing to help frequent flyers.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>13. Employees in airline companies will never be too busy to respond to frequent flyer requests.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>14. The behavior of employees in airline companies will give frequent flyers confidence in using the service.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>15. Frequent flyers will feel safe in their transactions with excellent airline companies.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>16. Employees in excellent airline companies will be consistently courteous with frequent flyers.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>17. Employees in airline companies will have the knowledge to answer frequent flyers' questions.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>18. Excellent airline companies will give frequent flyers individual attention.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>19. Excellent airline companies will have operating hours convenient to all frequent flyers.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>20. Airline companies will have employees who give frequent flyers personal attention.</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>
21. Excellent airline companies will have frequent flyers' best interests at heart.  
   1 2 3 4 5 6 7

22. The employees of airline companies will understand the specific needs of frequent flyers.  
   1 2 3 4 5 6 7

Directions: Listed below are five features pertaining to airline companies and the services they offer. Please allocate a total of 100 points among the five features according to how important each feature is to you—the more important a feature is to you, the more points you should allocate to it.

1. The appearance of the airline company's physical facilities, equipment, personnel, and communication materials.  
   ______ points

2. The airline company's ability to perform the promised service dependably and accurately.  
   ______ points

3. The airline company's willingness to help frequent flyers and provide prompt service.  
   ______ points

4. The knowledge and courtesy of the airline company's employees and their ability to convey trust and confidence.  
   ______ points

5. The caring, individualised attention the airline company provides its frequent flyers.  
   ______ points

TOTAL points allocated  
100 points

Which one feature among the above five is most important to you? (please enter the feature's number)  

Which feature is second most important to you?  

Which feature is least important to you?
PART III - Directions: The following set of statements relate to your feelings about Ansett Australia. For each statement, please circle the number showing the extent to which you believe Ansett Australia has the feature described by the statement.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ansett Australia has modern-looking equipment.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>2. Ansett Australia's facilities are visually appealing.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3. Ansett Australia's employee's are neat in appearance.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>4. Frequent flyer pamphlets or statements are visually appealing at Ansett Australia.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>5. When Ansett Australia promises to do something by a certain time, it does so.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>6. When you have a problem, Ansett Australia shows a sincere interest in solving it.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>7. Ansett Australia performs the service right the first time.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>8. Ansett Australia provides its services on time (eg, flights).</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>9. Ansett Australia insists on error-free records. (eg, frequent flyer statements)</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>10. Employees in Ansett Australia tell you exactly when frequent flyer points will be available for use.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>---</td>
<td>------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>11.</td>
<td>Employees in Ansett Australia will give you prompt service.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>12.</td>
<td>Employees in Ansett Australia are always willing to help you.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>13.</td>
<td>Employees in Ansett Australia are never too busy to respond to your requests.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>14.</td>
<td>The behavior of employees in Ansett Australia gives you confidence in using the service.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>15.</td>
<td>You feel safe in your transactions with Ansett Australia.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>16.</td>
<td>Employees in Ansett Australia are consistently courteous with you.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>17.</td>
<td>Employees in Ansett Australia have the knowledge to answer your questions.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>18.</td>
<td>Ansett Australia gives you individual attention.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>19.</td>
<td>Ansett Australia has operating hours convenient to all its customers.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>20.</td>
<td>Ansett Australia has employees who give you personal attention.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>21.</td>
<td>Ansett Australia has your best interest at heart.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>22.</td>
<td>Employees of Ansett Australia understand your specific needs.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>

Thank you for your co-operation
30 September 1993

Dear Sir/Madam

I am investigating the quality of service in Ansett Australia and the extent to which Ansett Australia meets frequent flyer expectations of an excellent airline company.

This survey is being conducted as part of an Edith Cowan University Honours Program. I would appreciate your individual response in this study.

Please place the completed questionnaire in the envelope provided and post it to:

Mr Marc Saupin  
C/- Edith Cowan University  
Joondalup Drive  
JOONDALUP WA 6027

or give it to Mr Ron Buckey.

Responses will remain confidential with Ansett Australia receiving aggregated results only. Your contribution to this study is greatly appreciated.

Thank you for your co-operation.

Yours sincerely

Marc Saupin  
Lecturer  
Department of Marketing  
Faculty of Business
MANAGERS QUESTIONNAIRE

Directions: This portion of the survey deals with how you think frequent flyers feel about an airline company that, in their view, delivers excellent quality of service. Please indicate the extent to which frequent flyers feel that excellent airline companies would possess the feature described by each statement. Please circle.

<table>
<thead>
<tr>
<th>Our Frequent Flyer Customers Would Strongly Disagree</th>
<th>Our Frequent Flyer Customers Would Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Excellent airline companies will have modern-looking equipment.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2. The physical facilities at excellent airline companies will be visually appealing.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>3. Employees at airline companies will be neat in appearance.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>4. Frequent flyer pamphlets or statements will be visually appealing in an airline company.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>5. When excellent airline companies promise to do something by a certain time, they will do so.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>6. When a customer has a problem, excellent airline companies will show a sincere interest in solving it.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>7. Airline companies will perform the service right the first time. (eg, flights).</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>8. Excellent airline companies will provide their services on time.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>9. Airline companies will insist on error-free records. (eg, frequent flyer statements).</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Our Frequent Flyer Customers Would Strongly Disagree</td>
<td>Our Frequent Flyer Customers Would Strongly Agree</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>10. Employees in airline companies will tell frequent flyers exactly when frequent flyer points will be available for use.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>11. Employees in airline companies will give prompt service to frequent flyers.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>12. Employees in excellent airline companies will always be willing to help frequent flyers.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>13. Employees in airline companies will never be too busy to respond to frequent flyers' requests.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>14. The behavior of employees in airline companies will give frequent flyers confidence in using the service.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>15. Customers of excellent airline companies will feel safe in their transactions.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>16. Employees in excellent airline companies will be consistently courteous with frequent flyers.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>17. Employees in airline companies will have the knowledge to answer frequent flyers' questions.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>18. Airline companies will give frequent flyers individual attention.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>19. Excellent airline companies will have operating hours convenient to all their frequent flyers.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>
20. Airline companies will have employees who give frequent flyers personal attention.  
Our Frequent Flyer Customers Would Strongly Disagree
Our Frequent Flyer Customers Would Strongly Agree
1 2 3 4 5 6 7

21. Excellent airline companies will have the frequent flyer's best interests at heart.  
1 2 3 4 5 6 7

22. The employees of airline companies will understand the specific needs of their frequent flyers.  
1 2 3 4 5 6 7

Directions: Listed below are five features pertaining to airline companies and the services they offer. We would like to know how important each of these features is to your frequent flyer customers when they evaluate an airline company's quality of service. Please allocate a total of 100 points among the five features according to how important each feature is to your frequent flyer customers.

1. The appearance of the airline company's physical facilities, equipment, personnel, and communication materials.  
points

2. The airline company's ability to perform the promised service dependably and accurately.  
points

3. The airline company's willingness to help frequent flyers and provide prompt service.  
points

4. The knowledge and courtesy of the airline company's employees and their ability to convey trust and confidence.  
points

5. The caring, individualised attention the airline company provides its frequent flyers.  
points

TOTAL points allocated
100 points

Which one feature among the above five is most important to you? (please enter the feature's number)  

Which feature is second most important to you?  

Which feature is least important to you?
Directions: Listed below are a number of statements intended to measure your perceptions about your company and its operations. Please indicate the extent to which you disagree or agree with each statement by circling one of the seven numbers next to each statement.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. We regularly collect information about the needs of our frequent flyers.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>2. We rarely use marketing research information that is collected about frequent flyers.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3. We regularly collect information about the service-quality expectations of frequent flyers.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>4. The managers in our company rarely interact with frequent flyers.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>5. The customer-contact personnel in our company frequently communicate with management.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>6. Managers in our company rarely seek suggestions about serving customers from customer-contact personnel.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>7. The managers in our company frequently have face-to-face interaction with customer-contact personnel.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>8. The primary means of communication in our company between contact personnel and upper-level managers is through memos.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>9. Our company has too many levels of management between contact personnel and top management.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>---</td>
<td>------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>10.</td>
<td>Our company does not commit the necessary resources for service quality.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>11.</td>
<td>Our company has internal programs for improving the quality of service to frequent flyers.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>12.</td>
<td>In our company, managers who improve quality of service are more likely to be rewarded than other managers.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>13.</td>
<td>Our company emphasises selling as much as or more than it emphasises serving customers.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>14.</td>
<td>Our company has a formal process for setting quality of service goals for employees.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>15.</td>
<td>In our company we try to set specific quality of service goals.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>16.</td>
<td>Our company effectively uses automation to achieve consistency in serving frequent flyers.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>17.</td>
<td>Programs are in place in our company to improve operating procedures so as to provide consistent service.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>18.</td>
<td>Our company has the necessary capabilities to meet frequent flyers' requirements for service.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>19.</td>
<td>If we gave our customers the level of service they really want, we would go broke.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>20.</td>
<td>Our company has the operating systems to deliver the level of service frequent flyers demand.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>
30 September 1993

Dear Sir/Madam

I am investigating the quality of service in Ansett Australia and the extent to which Ansett Australia meets frequent flyer expectations of an excellent airline company.

This survey is being conducted as part of an Edith Cowan University Honours Program. I would appreciate your individual response in this study.

Please place the completed questionnaire in the envelope provided and give it to your Duty Manager or put it in the University box located in the staff room.

Responses will remain confidential with Ansett Australia receiving aggregated results only. Your contribution to this study is greatly appreciated.

Thank you for your co-operation.

Yours sincerely

[Signature]

Marc Saupin
Lecturer
Department of Marketing
Faculty of Business

[Zeithaml, V., Parasuraman, A. and Berry, L.L. 1990. Delivering Quality Service. USA, New York, The Free Press. (Revised SERVQUAL instrument was used in this analysis.)]
EMPLOYEES QUESTIONNAIRE

Directions: Performance standards in companies can be formal-written, policies and communicated to employees. They can also be informal-verbal, spoken, and assumed to be understood by employees. For each of the following features, circle the number that best describes the extent to which performance standards are formalised in your company. If there are no performance standards in your company, check the appropriate box.

<table>
<thead>
<tr>
<th>Informal Standards</th>
<th>Formal Standards</th>
<th>No Standards Exist</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The appearance of the company's physical facilities, equipment, personnel, and communication materials.</td>
<td>1 2 3 4 5 6 7 [ ]</td>
<td></td>
</tr>
<tr>
<td>2. The ability of the company to perform the promised service dependably and accurately.</td>
<td>1 2 3 4 5 6 7 [ ]</td>
<td></td>
</tr>
<tr>
<td>3. The willingness of the company to help customers and provide prompt service.</td>
<td>1 2 3 4 5 6 7 [ ]</td>
<td></td>
</tr>
<tr>
<td>4. The knowledge and courtesy of the company's employees and their ability to convey trust and confidence.</td>
<td>1 2 3 4 5 6 7 [ ]</td>
<td></td>
</tr>
<tr>
<td>5. The caring, individualised attention the company provides its customers.</td>
<td>1 2 3 4 5 6 7 [ ]</td>
<td></td>
</tr>
</tbody>
</table>
Directions: Listed below are the same five features. Employees and units sometimes experience difficulty in achieving the standards established for them. For each feature below, circle the number that best represents the degree to which your company and its employees are able to meet the performance standards established.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Unable to Meet Standards Consistently</th>
<th>Able to Meet Standards Consistently</th>
<th>No Standards Exist</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The appearance of the company's physical facilities, equipment, personnel, and communication materials.</td>
<td>1 2 3 4 5 6 7</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>2. The ability of the company to perform the promised service dependably and accurately.</td>
<td>1 2 3 4 5 6 7</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>3. The willingness of the company to help customers and provide prompt service.</td>
<td>1 2 3 4 5 6 7</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>4. The knowledge and courtesy of the company's employees and their ability to convey trust and confidence.</td>
<td>1 2 3 4 5 6 7</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>5. The caring, individualised attention the company provides its customers.</td>
<td>1 2 3 4 5 6 7</td>
<td>[ ]</td>
<td></td>
</tr>
</tbody>
</table>
Directions: Salespeople, advertising, and other company communications often make promises about the level of service a company will deliver. For each feature below, we want to know the extent to which you believe that your company and its employees deliver the level of service promised to frequent flyers. Circle the number that best describes your perception.

<table>
<thead>
<tr>
<th></th>
<th>Unable to Meet Promises</th>
<th>Consistently</th>
<th>Able to Meet Promises</th>
<th>Consistently</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The appearance of the company's physical facilities, equipment, personnel, and communication materials.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. The ability of the company to perform the promised service dependably and accurately.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3. The willingness of the company to help customers and provide prompt service.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. The knowledge and courtesy of the company's employees and their ability to convey trust and confidence.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. The caring, individualised attention the company provides its customers.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Directions: Listed below are a number of statements intended to measure your perceptions about your company and its operations. Please indicate the extent to which you disagree or agree with each statement by circling one of the seven numbers next to each statement.

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>I feel that I am part of a team in my company.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.</td>
<td>Everyone in my company contributes to a team effort in servicing frequent flyers.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>3.</td>
<td>I feel a sense of responsibility to help my fellow employees do their jobs well.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>4.</td>
<td>My fellow employees and I cooperate more often than we compete.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>5.</td>
<td>I feel that I am an important member of this company.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>6.</td>
<td>I feel comfortable in my job in the sense that I am able to perform the job well.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>7.</td>
<td>My company hires people who are qualified to do their jobs.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>8.</td>
<td>My company gives me the tools and equipment that I need to perform the job.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>9.</td>
<td>I spend a lot of time in my job trying to resolve problems over which I have little control.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>10.</td>
<td>I have the freedom in my job to truly satisfy frequent flyer needs.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>11.</td>
<td>I sometimes feel a lack of control over my job because too many frequent flyers demand service at the same time.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>---</td>
<td>------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>12.</td>
<td>One of my frustrations on the job is that I sometimes have to depend on other employees in serving frequent flyers.</td>
<td>1  2  3  4  5  6  7</td>
</tr>
<tr>
<td>13.</td>
<td>My supervisor's appraisal of my job performance includes how well I interact with frequent flyers.</td>
<td>1  2  3  4  5  6  7</td>
</tr>
<tr>
<td>14.</td>
<td>In our company, making a special effort to serve frequent flyers well does not result in more pay or recognition.</td>
<td>1  2  3  4  5  6  7</td>
</tr>
<tr>
<td>15.</td>
<td>In our company, employees who do the best job serving frequent flyers are more likely to be rewarded than other employees.</td>
<td>1  2  3  4  5  6  7</td>
</tr>
<tr>
<td>16.</td>
<td>The amount of paperwork in my job makes it hard for me to effectively serve frequent flyers.</td>
<td>1  2  3  4  5  6  7</td>
</tr>
<tr>
<td>17.</td>
<td>The company places so much emphasis on selling to customers that it is difficult to serve frequent flyers properly.</td>
<td>1  2  3  4  5  6  7</td>
</tr>
<tr>
<td>18.</td>
<td>What my customers want me to do and what management wants me to do are usually the same thing.</td>
<td>1  2  3  4  5  6  7</td>
</tr>
<tr>
<td>19.</td>
<td>My company and I have the same ideas about how my job should be performed.</td>
<td>1  2  3  4  5  6  7</td>
</tr>
<tr>
<td>20.</td>
<td>I receive a sufficient amount of information from management concerning what I am supposed to do in my job.</td>
<td>1  2  3  4  5  6  7</td>
</tr>
<tr>
<td>21.</td>
<td>I often feel that I do not understand the services offered by my company.</td>
<td>1  2  3  4  5  6  7</td>
</tr>
<tr>
<td>22.</td>
<td>I am able to keep up with changes in my company that affect my job.</td>
<td>1  2  3  4  5  6  7</td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>-------------------</td>
<td>---</td>
</tr>
<tr>
<td>23. I feel that I have not been well trained by my company in how to interact effectively with frequent flyers.</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>24. I am not sure which aspects of my job my supervisor will stress most in evaluating my performance.</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>25. The people who develop our advertising consult employees like me about the realism of promises made in advertising.</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>26. I am often aware in advance of the promises made in our company's advertising campaigns.</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>27. Employees like me interact with operations people to discuss the level of service the company can deliver to frequent flyers.</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>28. Our company's policies on serving frequent flyers are consistent in the different offices that service frequent flyers.</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>29. Intense competition is creating more pressure inside this company to generate new business.</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>30. Our key competitors make promises they cannot possibly keep in an effort to gain new frequent flyers.</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Thank you for your co-operation
APPENDIX F

Frequent Flyer Expectations

(Fgap 5)

Frequent Flyer Perceptions

(Gap 1)

Management Perceptions of Frequent Flyer Expectations

Service Delivery

(Gap 4)

External Communications

(Gap 3)

Service Quality Specifications

(Gap 2)