### **Hospitality Review**

Volume 22 Issue 2 *Hospitality Review Volume 22/Issue 2* 

Article 8

1-1-2004

# Directing the Continuous Quality Improvement Effort

Martin O'Neill Auburn University, null@auburn.edu

Susan S. Hubbard *Auburn University*, null@auburn.edu

Follow this and additional works at: http://digitalcommons.fiu.edu/hospitalityreview

#### **Recommended** Citation

O'Neill, Martin and Hubbard, Susan S. (2004) "Directing the Continuous Quality Improvement Effort," *Hospitality Review*: Vol. 22: Iss. 2, Article 8. Available at: http://digitalcommons.fiu.edu/hospitalityreview/vol22/iss2/8

This work is brought to you for free and open access by FIU Digital Commons. It has been accepted for inclusion in Hospitality Review by an authorized administrator of FIU Digital Commons. For more information, please contact dcc@fu.edu.

### Directing the Continuous Quality Improvement Effort

#### Abstract

The continuous quality improvement (CQI) efforts at the Lodge and Conference Center at Grand National, Opelika, Alabama, involve a range of strategies, policies, and practices enacted by the current management team to lift the service game and enhance the overall quality and value for money appeal of the guest experience. The authors report findings of a recently conducted study on this issue.

## Directing the continuous quality improvement effort

by Martin A. O'Neill and Susan Hubbard

The continuous quality improvement (CQI) efforts at the Lodge and Conference Center at Grand National, Opelika, Alabama, involve a range of strategies, policies, and practices enacted by the current management team to lift the service game and enhance the overall quality and value for money appeal of the guest experience. The authors report the findings of a recently conducted study on this issue.

A s the international tourism industry at last begins to show signs of recovery.<sup>1</sup> the issues of service quality and visitor satisfaction are again beginning to assert themselves as key boardroom issues for today's tourism and/or hospitality professional. While much has changed on the tourism landscape over recent years, there continues to be one constant; service quality remains a complex construct to conceptualize, operationalize, and measure.

This is particularly true of the tourism sector, where long-term success is dependent upon the hospitality record of a particular

operator and/or destination and its ability to continually satisfy customers. Of central importance here is the quality of service provided to visitors, which more often than not will be a determining factor when it comes to repeat visitation and recommendation intention.<sup>2</sup> Today's hospitality consumer has become a rather sophisticated and somewhat more discerning individual in terms of both quality and value for money expectation. To complicate matters further. evidence now suggests that even when exemplary service has been delivered. today's consumer remains a very fickle and somewhat disloyal individual.<sup>3</sup>

With its wide range of benefits, including income generation, foreign exchange earnings, the creation of both full- and part-time jobs, and the generation of secondary economic activity, support for and investment in the state tourism sector is now regarded as an essential regional

Contents © 2004 by FIU Hospitality Review. The reproduction of any artwork, editorial or other material is expresslv prohibited without written permission from the publisher, excepting thatone-time educational reproduction is allowed without express permission. economic development strategy by both government and the private sector.<sup>4</sup> Not surprisingly, operators have been forced to take note and invest in the continuous development of their respective product and service offerings. This has led to serious rethinking on the part of many in terms of strategy development, production, and delivery systems, as well as the management of people, and has resulted in a range of quality efforts and/or initiatives aimed at continually improving the quality of the overall guest experience.

#### Alabama tourism rises

This is particularly true of the Alabama tourism sector, where in the face of a general economic downturn in most other sectors, the potential economic significance of tourism throughout the state has, it seems, at last been realized. Most recent statistics supplied by the Alabama Bureau of Tourism and Travel<sup>5</sup> estimate that some 18.3 million people visited the state in 2002, representing approximately 2 percent of Gross State Product (overall production), with combined spending (international and domestic) at just over \$6.5 billion, an increase of some 7 percent over 2001. Employing some 140,000 people (7.4 percent of non-agricultural employment in Alabama) throughout the broad travel and tourism sector, this represents a second consecutive record year for Alabama tourism and one that continues to buck the nationally sluggish downward trend.

It is not surprising, therefore, that government and industry should take the quality issue seriously. Indeed, at a recent statesponsored tourism conference, participants identified the service quality issue as being critical to the future survival and growth of tourism industry.6 the state Against this background, the CQI efforts of one prominent state tourism provider and its ongoing efforts to become a property synonymous with quality and excellence are reported.

Affiliated as it is with the Robert Trent Jones Golf Trail (the state's premier tourism attraction) the Lodge and Conference Center Grand National, Auburn, at Alabama, is representative of the very best in southern hospitality provision. In a concerted attempt to sustain its competitive positioning, the property recently appointed a new general manager, Jay Prater, who was charged with the responsibility of improving both the quality of the overall guest experience and bottom line performance through a continuous quality improvement effort. An ongoing transformation process has been initiated by the new management team and a survey of consumer perceptions of service quality at the property conducted to showcase the success of efforts to date.

#### Quality is critical

There is no doubt that quality has been, is, and shall remain an issue of critical strategic importance for today's hospitality profes-



sional. This point is well reinforced by Kandampully<sup>7</sup> when he states: "Of all the challenges facing hospitality establishments today including intense competition, globalization, and technological innovation - the single most pervasive and pressing challenge is the ever-increasing demand of customers for service quality." This is not surprising really, given that, definition, the hospitality by industry is founded on the principle of being hospitable. Comprised of four basic service offerings including accommodation, food and beverage, entertainment, and information provision, the quality of service provided is vital to the day-to-day operation and longer term survival of any establishment. It follows that in a business such as hospitality, where quality of service is a major part of the total product, providing service quality should occupy a position of prime importance.8

Paradoxically, at a time when the world's economy has shifted toward a greater service orientation and the economics of quality provision are well accepted and understood, it is ironic that service quality continues to be experienced more as the exception than the rule it should be.<sup>9</sup> Indeed, it is with great justification that a question continues to be asked: Where has the service gone from the hospitality industry? Evidence continues to suggest that the receipt of service quality is as elusive as ever<sup>10</sup>. In truth, it appears there is no shortage of opinion concerning customers who would claim that service quality is anything from poor to non-existent. It is not surprising, then, that the quality issue continues to garner consumer and academic interest with countless research publications and course texts continuing to be devoted to this very issue.<sup>11</sup>

So what is meant by quality and the related concept of service quality, and why does its delivery remain such an elusive concept for many? As an operational construct, quality refers to an organization's ability to produce and deliver that which is demanded in a manner which consistently meets consumer expectations. In the words of Berry, Zeithaml, and Parasuraman<sup>12</sup> "...quality is the degree of excellence intended, and the control of variability in achieving that excellence, in meeting the customer's requirements."

#### Service quality needed

The issue then is not solely one of design on the part of the hospitality provider, but also of ensuring conformance and, more importantly, fitness for purpose or the extent to which the product or service consistently meets the customer's needs. As with product quality, service quality also relates to satisfying customer requirements.<sup>13</sup> Unlike product quality, however, organizations must contend with the fact that services are a combination of both tangible and intangible attributes. This, of course, helps explain some of the complication with its delivery, namely that it is a

highly individual and heterogeneous concept which can really only be defined in the eyes of the consumer as end user who, coincidently, serves as an inherent piece in the delivery jigsaw.

What is clear is that today's customers want their expectations met completely and consistently and that they are very unforgiving when organizations fail to do so. It is with little surprise then that researchers have settled on the concept of customer perceived service quality<sup>14</sup> as the one best descriptor for this construct, with hospitality providers attempting to position and differentiate themselves according to the emphasis they place upon the various tangible and/or intangible attributes of the construct.

Naturally, identification of service quality attributes aids in the design and delivery process and assists in the satisfaction of customer requirements. This information comes from customers themselves and also from frontline staff who daily come into contact with the customer during the many critical incidents of transaction experienced. While extensive research has been carried out in the area<sup>15</sup>, the work of Parasuraman, Zeithaml, and Berry stands out in terms of helping to clarify how customers define service quality. Their initial qualitative study identified 10 underlying dimensions of service quality, each of which related to the customers' confidence in those providing the service.

As a result of further extensive research, these criteria were collapsed into five more specific components: tangibles, reliability, responsiveness, empathy, and assurance, which have formed the basis of many measurement techniques. Although widely referred to as SERVQUAL, the five elements can more easily be remembered through the acronym "rater<sup>16</sup>," which refers to the following:

- **Reliability**: ability to perform the promised service dependably and accurately.
- **Assurance**: knowledge and courtesy of employees and their ability to inspire trust and confidence.
- **Tangibles**: physical facilities, equipment, and appearance of personnel.
- **Empathy**: caring, individualised attention, and appearance of personnel.
- **Responsiveness**: willingness to help customers and provide prompt service

According to Zeithaml, Parasuraman, and Berry the various statistical analyses conducted in constructing SERVQUAL revealed considerable correlation among items representing several of the original 10 dimensions for evaluating service quality. The authors believe that these five dimensions are a concise representation of the "core criteria that customers employ in evaluating service quality."<sup>17</sup> While many other definitions and models have been

FIU Hospitality Review / Fall 2004

proposed, academics and practitioners almost universally agree that service quality must be defined by the customer and not the service provider,<sup>18</sup> otherwise inappropriate strategies will result and time and money will be wasted.<sup>19</sup>

#### **Providers are investing**

In an attempt to continually satisfy their customers, hospitality providers have been investing quite heavily in a host of what might best be described as quality improvement initiatives. By and large the majority of these initiatives have found form through the British Standards Institute, the European Quality Award, the Malcolm Baldrige National Quality Award. the Edwards Deming Prize, or derivatives thereof. In addition, the hospitality industry has also been investing quite heavily in raising quality standards through the development of its human resource base. Such initiatives include the Investors in People Award, the Welcome Host Initiative, and various vocationally oriented qualification schemes.

Oliver describes these initiatives as belonging to the Total Quality Management (TQM) movement, advocating organizational strategies and changes, which are thought to make a firm more customer friendly. In this context, "customer satisfaction is thought to be a natural outgrowth of optimal organizational design, and of instilling the appropriate organizational culture, personnel training and customer responsiveness within employee

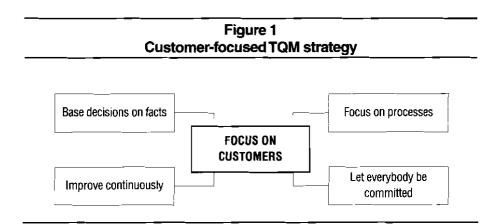
O'Neill and Hubbard

ranks."<sup>20</sup> Put simply, TQM strives for the mutual co-operation of everyone in an organization and associated business processes to produce products and services which consistently meet the needs and expectations of customers.

At the heart of any such approach is the realization that quality is about customers and the way that they are treated or as Palmer<sup>21</sup> puts it, "the total quality of the service as perceived by the customer." TQM places the customer at the heart of all organizational efforts to improve quality and seeks to harness organizationwide commitment to satisfying their every need. This approach goes one step further though and argues for a definition of quality that extends beyond mere customer satisfaction to include both employee and employer satisfaction. TQM depends on and creates a culture in an organization that involves everybody in quality improvement, or as Edvardsson, Thomasson, and Ovretveit so eloquently put it, "TQM is a framework for linking internal changes to customer needs."22 Ingrained within it is a commitment to service excellence. which can only be achieved through the development of a self-reinforcing improvement cycle which requires the efforts of everyone involved in the service supply chain.

#### TQM is broad

Many researchers have provided insights into the characteristics of the business environment, which are necessary to



sustain quality efforts.<sup>23</sup> Such work forms the foundations on which the principles of TQM are built, and although there is little consensus as to the application of the theory, there is some agreement on the concept itself. In general terms, TQM means that quality awareness and practices extend to all aspects of an organization's activities and are not restricted to identifying and rejecting unacceptable products or services, as was once the situation. TQM has become a way of business life, providing a culture and framework for the achievement of corporate goals, ensuring that employees of all levels are involved to some extent in the decision-making and problem-solving processes.

To this end, TQM may be viewed as a process by which a company concentrates its total resources on the task of satisfying customer requirements in terms of value for money, reliability, and fitness for purpose at a minimum cost. At the heart of the TQM approach is the following set of easily understood and applied guiding principles (see Figure 1):

- Focus: customer based
- Approach: management led
- **Philosophy** : prevention rather than cure
- Standard: right first time
- Measure: cost of quality
- **Scope**: total commitment and involvement
- Time: continuous improvement

Such principles are not complex; they are eminently teachable and consequently capable of being learned.<sup>24</sup> While developed within the Japanese manufacturing sector,<sup>25</sup> they can be applied equally effectively in any culture, as evidenced by numerous recorded success stories, for example, Hewlett Packard, Apple, STC, Dupont, British Airways, Walt Disney, and Ritz-Carlton Hotels. Of critical importance is the issue of timing and a commitment to a process of continuous quality improvement,<sup>26</sup> wherein change is sought for the long term and must become an ingrained part of the organizational psyche and culture.

FIU Hospitality Review / Fall 2004

Too often, though, organizations set out on a quality path only to stall when major problems have perceivably been eradicated.<sup>27</sup> What needs to be understood is that this is merely the beginning of a journey, which requires that attention be focused not only on eradicating immediate problems, but the source of these problems and the processes which support them over the longer term.

#### **Grand National is focus**

The Lodge and Conference Center at Grand National is located on the outskirts of Opelika, Alabama, and is a part of the award-winning Robert Trent Jones Golf Trail. Nestled in 2000 acres of pine and hardwood forest, the Lodge embraces nature at its finest.<sup>28</sup> The 18 golf courses at eight sites along the Robert Trent Jones golf trail are all located in Alabama and funded by the Retirement Systems of Alabama.<sup>29</sup> In addition to the 54 holes of championship golf at one's door, the Lodge has 129 guest rooms and 15 suites and includes such amenities as indoor/outdoor pools, health club, sports bar, restaurants, and a hiking trail.

Marketing efforts describe the Lodge as a place of "glorious lakes and streams enveloped with hundreds of magnificent species of grand old trees. Six hundred acres will offer abundant hiking along the shores of the Saugahatchee Lake. The Lodge and Conference Center at Grand National will indulge its guests with the finest mix of business meets pleasure. The Lodge and Conference Center offers a technologically advanced conference environment paired with award-winning championship golf, miles of hiking, relaxing by the indoor/outdoor pool, or exercising at the health club."<sup>30</sup>

The property was selected for the project because of its expressed commitment to continuous quality improvement. The general manager speaks of a "high degree of focus on customer satisfaction" and is committed to assessing both customer and employee satisfaction levels throughout the property. Prater is very much a hands-on manager who believes firmly in the continuous quality improvement ethic and, as such, in leading from the front in relation to all quality improvement efforts. The most obvious example of this CQI philosophy is of course, the relocation of Prater's work desk from the executive offices suite to the entrance lobby of the property, where he is in full view of his guests and is permitted a freer form of "nonscripted" interaction. His office without walls allows him to be available to guests and live the customercentered attitude each day. In addition, Prater sees to it that each of his key managerial personnel "walk the floor" each day with a view to touching base with clientele. This policy was enacted by Prater immediately after he took on the role of GM and is one that he feels guests very comfortable are with. Personnel at all levels and in all positions are actively encouraged to

interact with guests in an attempt to seek out opportunities to delight and add value to the guest experience, so much so that an almost tangible service culture can be felt upon entering the property. This approach is practiced throughout the service cycle from the initial reservation inquiry through to actual departure and beyond through the property's many relationship marketing initiatives. Put simply, personnel, both front and back of house, are encouraged to seek out any opportunity to delight the guest.

#### Attitude is important

Success on this front is very much dependent upon having the right people display the right combination of skill and attitude on a dayto-day basis, and this can only be achieved by a strong internal relationship focus. This is very much the approach at Grand National where the property believes firmly in "recruiting for talent and ongoing training to retain." Teamwork is encouraged at every level with the concept of a "level service playing field" accepted by all staff in the interest of total and complete guest satisfaction. All employees, regardless of position, are encouraged to attend both weekly departmental and monthly quality improvement meetings. These meetings are called to share ideas and cultivate insights into the existing system dynamic and, more importantly, to seek out innovative and more effective ways of doing business.

The approach is very much about looking at the system from the

customer's perspective so that the system can be better re-engineered to meet the customer's specifications. In support of this task the property has also initiated a CQI committee which meets once monthly to consider system developments and solve problems based upon both employee and customer feedback. This committee is comprised ostensibly of frontline service employees whose responsibility it is to interact with guests and attest to the user friendliness of the various service delivery systems. Additionally, the property has initiated what it terms a "Bright Ideas Box" where employees are encouraged beyond the normal channels to offer suggestions on how quality can continuously be improved. These ideas are considered at the various improvement meetings and satisfactory ideas tested within the property. Successful initiatives are accepted as mainstream practice and the employee who offered the suggestion is rewarded with a cash incentive.

#### **Customer is focus**

Needless to say, customer service training is an integral and vital part of all employee training efforts at the Lodge, from initial induction through the lifetime of any employee's tenure at the property. In addition, in-house reward programs have been developed to recognize outstanding "service heroes." Employees are consistently encouraged to engage in staff development opportunities, as the property believes that its own development will be assured as a natural outgrowth of such activity. This, of course, also serves to motivate employees who are regularly promoted from within based upon ability, and equally works to ensure a loyal and productive workforce, a fact that has been well recognized in the feedback garnered to date through the property's in-house comment cards.

#### **Customer is focus**

The property firmly believes that in order to sustain its quality improvement drive, it must be founded upon timely and relevant customer-focused information. Put simply, they believe there can be no improvement without information. As with most hospitality properties, the Lodge administers comment cards and/or surveys to guests in the hotel. Questionnaires are made available to customers in the various revenue outlets, as well as at checkout and in guest bedrooms, and a small incentive is offered to staff to encourage a higher return. Returns are analyzed on a weekly basis and the results shared during the various quality improvement meetings, which become quite competitive in terms of how each department performed. Where problems become apparent and contact details have been left, the property follows up with each complainant. All problems are seized upon as opportunities and viewed as a free source of information. Naturally this extends to day-today practice, where all employees are empowered to do "whatever it takes" to resolve guest problems and add value to the overall guest experience.

The research focused on guests' perceptions of the quality of service provided by the Lodge and Conference Center; and the study was undertaken collaboratively with the property with a view to providing practical benefits, while at the same time allowing theoretically useful insights to be developed. The study made use of the Importance-Performance Analysis (IPA) technique which has gained popularity over recent years for its simplicity, ease of application, and diagnostic value.<sup>31</sup> It is best described as an absolute measure of performance, which also seeks to identify the underlying importance ascribed by consumers to the various quality criteria under assessment.32 Importance is viewed as a reflection by consumers of the relative value of the various quality attributes, and it is this additional information which makes the technique more suited to the task of directing improvement based upon what is deemed mostimportant by consumers.

The scales developed took the form of a 23-item self-completion questionnaire, which visitors were asked to complete either during their stay or upon their departure from the property. For each item respondents were asked to rate their perceptions of the attributes listed on a five-point Likert scale ranging from 1 for "strongly disagree" to 5 for "strongly agree." In addition, respondents were also asked to rate the level of importance attributed to each quality dimension on a similar scale

O'Neill and Hubbard

ranging from 1 for "low importance" through 5 for "high importance."

Scale items were based largely on the 22 items of the original SERVQUAL technique and its corresponding RATER components, but were modified to take into account the particular service setting.<sup>33</sup> This was achieved via a series of interviews with the GM who was quizzed on the relevance of each of the scale items to the property. This resulted in the combining of two of the original reliability related attributes and exclusion of one of the responsiveness related attributes from the original SERVQUAL attributes, as well as an amended form of wording for a number of other attributes and the inclusion of three additional attributes related to the properties food and beverage (items 5 and 10) and room facility (item 6) service offering. This was an especially important issue for Prater as there was some indication from in-house comment cards that customers were not entirely pleased with this element of the property's product offering. A full list of the 22 refined scale items is shown in Table 1. An additional variable (survey item 23) served as an overall measure of service quality and was included for the purpose of validity testing. demographic Additional and lovalty data were also sought.

#### Survey is random

Questionnaire administration within the main public lobby of the property took place over seven weekends during November and December 2003. Participants were approached at random and asked about their willingness to participate in the research. Willing participants were asked to either complete the questionnaire in the presence of the administrator or to complete it at a later date and place it in a drop box located at the hotel reception desk.

The sample was comprised of 143 respondents from a total of 451 administered questionnaires, representing a 31.7 percent response rate. No incentives were used to garner a healthier response rate. Of these, 83 (58 percent) were male. Approximately 59 percent were outof-state visitors and 56 percent had stayed at the property on at least one previous occasion. Some 36 percent were business travelers, while the remainder were vacation, VFR, or football oriented; 79 percent said they would return to the property based upon their experience to date and 89 percent stated they would be happy to recommend the property based upon their experience to date. A similar number (88 percent) stated that they believed the property offered an adequate value for the price paid. Some 70 percent of respondents were in the 45 years or older age bracket.

The results of the study are presented in two sections. Section one includes reliability and validity data as they relate to the psychometric performance of the research instrument adapted from SERVQUAL and section two presents a performance-based analysis of the key results from the

FIU Hospitality Review / Fall 2004

	Mean (m)	Standard	
Variable	perception	deviation	
1. The property has good facilities to offer guests	4.25	1.37	
2. The décor of the property was visually appealing	4.26	1.42	
3. Property staff appeared neat	4.23	1.45	
4. Brochures & signposting were visually appealing	3.85	1.52	
5. Food & beverage options were broad	3.37	1.61	
6. Room facilities/services were excellent	4.06	1.52	
7. Staff showed a genuine interest in solving problems	4.07	1.48	
8. Service delivery was error free and right first time	3.37	1.82	
9. Operating times for services were clear & convenient to me	3.60	1.77	
10. Food & beverage services were excellent	3.33	1.62	
11. Property staff were very knowledgeable about hotel services	3.96	1.54	
12. We did not have to wait excessively for service	3.79	1.56	
13. Property staff were always willing to help guests	4.19	1.44	
14. Property staff were never too busy to respond to guests	4.04	1.55	
15. Behavior of property staff gave confidence in the property	4.04	1.49	
16. I felt safe & secure whilst staying at the property	4.20	1.48	
17. Property staff were consistently courteous with guests	4.30	1.45	
18. Property staff had the knowledge to answer guests' questions	3.98	1.60	
19. Overall, the property made me feel like a special individual	3.96	1.52	
20. The property has its guests' best interests at heart	4.02	1.53	
21. Property staff understood the specific needs of guests	3.79	1.62	
22. Property staff gave individual attention to guests	3.83	1.65	
Average Perception Scores	3.93	1.31	

## Table 1 Analysis of individual service quality attributes

study. While data were collected using the IPA technique, this section of the analysis will concentrate on the performance (perception) only data as they relate to both the individual quality attributes and the aggregated RATER dimensions as defined in the original SERVQUAL scale.

#### Reliability, validity tested

The overriding goal of the study was to attest to the property's performance in light of existing CQI practice. It also proved useful to attest to the reliability and validity of the research instrument (adapted SERVQUAL) as a user friendly methodology for measuring service quality within the particular hospitality setting. To this end an exploratory factor analysis using the principal component extraction technique was performed on guest perception scores. The analysis made use of the OBLIMIN oblique

O'Neill and Hubbard

factor rotation procedure in SPSS-X and is in keeping with the original SERVQUAL study.<sup>34</sup>

The results revealed that the five-component RATER structure proposed for the original SERVQUAL scale was not confirmed, and that service quality, at least in the context of this property, was in fact uni-dimensional in nature, with all 22 items loading heavily on a single factor. The instrument performed well in terms of both reliability and validity, however. Overall reliabilities were alpha = 0.99 and 0.98 respectively for both the importance and performance scales. Construct validity was also addressed in terms of both convergence and the research instrument's ability to discriminate between the underlying dimensionality of the service quality construct.

While the preceding factor analvsis makes it clear that the instrument did not perform well in terms discriminant validity, of it performed much better in terms of convergence. Convergence was investigated by calculating the mean difference scores for each of the 22 scale items and correlating (Pearson's product moment correlation) these with the mean score from an overall single item measure of quality which was also included in the instrument (item 23). A correlation of 0.214 was found which, while low, was nonetheless significant at the 1 percent level.

#### **Perception examined**

The next stage of the analysis was to examine the sample responses across the 22-item scale to assess guest perceptions of service quality. This information is presented in Table 1 where mean and standard deviation scores are shown for each of the service quality attributes assessed as well as the average mean score for all 22 attributes (m=3.93).

The results show that the property is performing well above average in all respects, with mean values in excess of m=4.00 being recorded for 11 out of the 22 attributes assessed, with the remaining 11 attributes falling between m=3.33 and m=3.98. While this is an excellent overall performance, there is still significant room for improvement, most notably with respect to those attributes concerned with food and beverage provision, which clearly confirms management concerns about this key area. Guests were consistently unhappy with both the range (options) and level of food and beverage service provision offered. These are clearly important determinants in the guest's choice set for any property.

### Individual items rated

While the five-factor structure proposed by the original SERVQUAL instrument was not held up during the factor analysis of the data, it nonetheless proved useful to analyze the data around the aggregated RATER factor structure. This, it was felt, would allow for a more practical analysis of the results and one that would assist in better directing the property's CQI

FIU Hospitality Review / Fall 2004

effort. Consequently, individual scale items were grouped around their corresponding SERVQUAL factors, with mean and standard deviation scores being calculated for each. Additionally, these factors were then tested for reliability using Cronbach's alpha, as per the procedures followed in Hudson and Shephard's<sup>35</sup> earlier application of the technique within an Alpine ski resort. Special attention was given to the two additional attributes (5 and 10), with item 5 grouped under the tangible dimension and item 10 under the reliability dimension. The results of this analysis are provided in Table 2.

The results reveal that each of the aggregated dimensions satisfies the minimum recommended alpha level of 0.70 for reliability, with coefficient alphas ranging from a quite high alpha =.87 for reliability through to alpha =.95 for both the assurance and empathy dimensions of the service quality construct. In terms of mean performance, the results again reveal a well above average situation for the property, with mean (m) scores ranging from m=3.59 for reliability through to m=4.10 for assurance.

In terms of ranked performance the property did best with respect to the assurance related aspect of service provision (m=4.10), closely followed by responsiveness (m=4.01), tangibles (m=3.98) and the empathy (m=3.90), with the reliability dimension ranking last (m=3.59).Given their corresponding reliabilities, these results should prove beneficial in terms of helping the property prioritize its CQI efforts. For example, attention should clearly be focused on those attributes comprising the reliability dimension (items 7-10), which relate to the issues of error free delivery, timeliness, and interest in problem solving. CQI efforts should then be concentrated upon those items pertaining to empathy, and so on.

This should not in any way be viewed as a general-endorsement of the technique's reliability in terms of directing the quality improvement effort. Rather it serves to highlight the value and relative simplicity of the technique, as expressed in an aggregated form through the original SERVQUAL

Table 2           Analysis of individual service quality attributes				
SERVQUAL Dimension	Mean (m) Perception	Standard deviation	Coefficient alpha	
Reliability	3.59	1.43	.87	
Assurance	4.10	1.38	.95	
Tangibles	3.98	1.30	.93	
Empathy	3.90	1.48	.95	
Responsiveness	4.01	1.44	.94	

O'Neill and Hubbard

factor structure, for prioritizing and directing the improvement effort. In the absence of another more methodology rigorous being adapted, it should serve the property quite well for this purpose. Combined with the data pertaining to the corresponding importance measure which was also taken, it can be seen how such a technique would be beneficial in helping direct the attention and limited resources of any operator to the real priorities of the customer.

#### **Behavior analyzed**

Further testimony to the success of the property's efforts to date can be found by analyzing the relationship between the essentially attitudinal performance measure (mean perception value) various and the behavioral outcome/intention measures recorded. Two measures of behavioral outcome were: "How likely would you be to revisit the Lodge and Conference Center based upon

your experiences to date?" and "How likely would you be to recommend the Lodge and Conference Center to others based upon your experiences to date?" For each item respondents were asked to rate their perceptions of the attributes listed on a five-point Likert scale ranging from 1 for "highly unlikely" to 5 for "highly likely." Additionally, a similar correlation analysis was also performed in relation to the issue of price/value.

#### Value is assessed

Respondents were also asked to rate the price/value relationship offered by the property. This measure was posited as: "Based upon your experiences to date, do you still believe that the Lodge and Conference Center provides adequate amenities and services for the price charged?" The corresponding scale ranged from 1 for "strongly disagree" to 5 for "strongly agree." The results of this analysis are shown in Table 3,

Table 3           Behavioral intention correlation index			
		Mean Perception Score	
Intention to return	Pearson Correlation	.164 *	
Sig. (2-tailed)	.050		
Ν	143		
Intention to recommend	Pearson Correlation	.154	
	Sig. (2-tailed)	.067	
	N	143	
Price/Value	Pearson Correlation	.262 **	
	Sig. (2-tailed)	.002	
	N	143	

\*\* Correlation is significant at the 0.01level (2-tailed)

FIU Hospitality Review / Fall 2004

both for the overall mean perception rating as well as for each of the RATER dimensions.

Interestingly, the results indicate a significant positive correlation between the "intention to return" behavioral indicator and the overall mean perception score (Pearson Coefficient = 0.164; Sig. = <0.050), yet not for the "intention to recommend" variable (Pearson Coefficient = 0.154; Sig. = 0.067). This is a curious finding and, given the overall reliabilities, is one that is hard to explain. The results also show that the property performed well in terms of the "price/value" issue and the overall mean perception score (Pearson Coefficient = 0.262; Sig. =<0.010). This is clearly indicative of the fact that the majority of guests feel that they are receiving good value for money in terms of the product and service received.

While debate continues as to the one best way to define and evaluate the service quality construct, both academics and practitioners concur that the debate is largely redundant unless both serve to aid in the CQI effort. This calls for as detailed an understanding as possible of customer requirements and the design of product and service delivery systems equipped to meet these requirements. This requires a concentrated improvement ethic which must pervade the entire organizational supply chain, wedding everyone within and beyond to the ideal of right first time and/or prevention rather than cure. Central here is the development of an internal as well as external relationship marketing focus. Put simply, employee satisfaction must precede customer satisfaction if quality improvement gains and competitive positioning is to be sustained for the longer term.

Of critical importance is the need for timely, relevant, and continuous information flow from all customer groups, both internal and external. As stated previously, there can be no sustained improvement without information. These data are essential to the improvement effort in a number of key respects:

- First, by way of offering a measure of existing performance
- Second, in terms of the identification for fail points and/or problem areas
- Third, by a system of prioritization in helping operators direct scarce resources to areas where performance improvement will have the most benefit to overall customer satisfaction

The study demonstrates the relative ease with which the chosen methodology can assist operators in this process. Indeed, it is this practicality that makes such techniques so appealing to CQI specialists. They gather information about factors relevant to the customer's perceptual processing and satisfaction level and communicate the results in a format that can then be used to target specific and relevant improvements in the service delivery system. This will permit

O'Neill and Hubbard

more concentrated and timely corrective actions, which can then be taken to improve actual perceptual problem areas.

In terms of the specific operator under examination, the results show that their CQI efforts to date have been largely successful. This, of course, is another benefit of such techniques in that they allow operators to test the success of any related CQI initiatives over time. The results do highlight a number of areas of concern for this operator, not least with respect to the reliability issue where there is both clear room and need for improvement.

That said, the Lodge has the distinct advantage of being at the beginning of its quality journey, and given the importance and pride attached to the issue by all concerned, there is little doubt that they will correct this situation in the not too distant future. While only one property within Alabama, it is felt that this example, at the higher end of the state's hospitality game, will serve as an example and prime motivator to other tourism and hospitality professionals to lift and sustain their service effort. In turn, this should serve to enhance the state's overall reputation and appeal, and in so doing, ensure (in the words of the popular state sponsored vanity plate) that the "stars will continue to fall on Alabama" tourism!

#### References

<sup>1</sup> R. Klancnik, "Global troubles took toll on tourism in 2003, growth to resume in 2004," Madrid (January 27, 2004), Tourism Barometer: World Tourism Organization. (http://www.worldtourism.org/newsroom/Rele ases/2004/janvier/data.htm)

<sup>2</sup> H. Lee, Y. Lee and D. Yoo, "The determinants of perceived service quality and its relationship with satisfaction," *Journal of Services Marketing* 14, no. 3 (2000): 217-231.

<sup>3</sup> A. F. Curasi and K. N. Kennedy, "From prisoners to apostles: a typology of repeat buyers and loyal customers in service businesses," *Journal of Services Marketing* 16, no. 4 (2002): 322-341.

<sup>4</sup> D. Rigney, "Role of Alabama Department of Agriculture and Industries in the Agri-Tourism Trail," in J. Thomas Chestnutt, ed. *Action – Public Issue Information for Alabama Citizens* (Auburn, Alabama: Alabama Cooperative Extension System, 2004).

<sup>6</sup> K. Deravi, "Economic Impact – Alabama Travel Industry 2002," Center for Business and Economic Development, Auburn University, 2003.

<sup>6</sup> S. Hubbard, "Issues affecting Alabama tourism professionals." Governor's Conference on Tourism and Travel, Huntsville, Alabama (September 21, 2003), Unpublished paper.

<sup>7</sup> J. Kandampully, Services Management – the new paradigm in hospitality (New South Wales, Australia: Pearson Education Australia, 2002), xi.

<sup>6</sup> R. H. Woods and J. Z. King, *Quality Leadership and Management in the Hospitality Industry* (East Lansing, Mich.: American Motel and Hotel Association, 1996).

<sup>9</sup> M. Coeyman, "Listen Up," *Restaurant Business* (May 20, 1996): 58-66.

<sup>10</sup> T. Levitt, "Production-line approach to service." HarvardBusiness Review (September-October 1972): 41-52; Coevman; A. Boys, "South West Fails on Service!" The West Australian Newspaper (June 17, 1998): 23;Technical Assistance Research Programme, "Does the rhetoric of customer service match the reality?" Managing Service Quality 6, no. 3 (1996): 6-9; H. Frederick, Whatever Happened to Service?," Restaurant Business (May 15, 1998): 95-105; ACSI, "First Quarter Results – Hotels and Restaurants," American Customer Satisfaction Index: Michigan Business School, 2004

 <sup>11</sup> D. M. Davidoff, CONTACT: Customer service in the hospitality and tourism industry (New York: Prentice Hall, 1994); A. Lockwood, M. Baker and A. Ghillyer, Quality Management in Hospitality – Best Practice in Action (London: Cassell, 1996); M. Olsen, R. Teare, and E. Gummesson, Service Quality in Hospitality Organizations (New York: Cassell, 1996); J. Kandampully, C. Mok, and B. Sparks,

FIU Hospitality Review / Fall 2004

Service Quality Management in Hospitality, Tourism and Leisure (London: Haworth Hospitality Press, 2001); Kandampully, xi; W. B. Martin, Providing Quality Service – what every hospitality service provider needs to know (New Jersey: Prentice Hall, 2003).

<sup>12</sup> L. L. Berry, V. A. Zeithaml, and A. Parasuraman, "Quality counts in services too," *Business Horizons* 28, no. 3 (May-June 1985): 44-52.

13 R. C. Lewis and B. H. Booms, "The marketing aspects of service quality" in L. L. Berry, G. L. Shostack, and G. D. Upah, eds, Emerging perspective's on services marketing (Chicago, Ill.: American Marketing Association, 1983); 99-107; A. Parasuraman, V. A. Zeithaml, and L L. Berry, "A conceptual model of service quality and its implications for future research," Journal of Marketing 49, (Fall 1985): 41-50; B. Lewis and V. Mitchell, "Defining and measuring the quality of customer service," Marketing Intelligence and Planning 8, no. 6 (1990): 11-17; R. Silvestro and R. Johnston, "The determinants of service quality - hygiene and enhancing factors, Working paper, University of Warwick Business School, 1990.

<sup>14</sup> V. A. Zeithaml, A. Parasuraman, and L. Berry, *Delivering quality service: Balancing Customer Perceptions and Expectation* (New York: The Free Press, 1990).

<sup>16</sup> Berry, Zeithaml, and Parasuraman; C. Gronroos, Service management and marketing (Lexington, Mass.: Lexington Books, 1984); D. A. Garvin, "Competing on the eight dimensions of quality," Harvard Business Review (November-December 1987): 101-109; J. Fitsimmons and G. Maurer, "A walk through audit to improve restaurant performance," Cornell Hotel and Restaurant Administration Quarterly (February 1991).

<sup>16</sup>A. R. Tenner and I. J. DeToro, *Total quality* management: three steps to continuous improvement (Cambridge, Mass.: Addison-Wesley, 1992).

<sup>17</sup> T. O. Miller "A customer's definition of quality," *The Journal of Business Strategy* (January-February 1992): 4-7.

<sup>18</sup> Nightingale, 37-62.

<sup>19</sup> C. Gronroos, "Service quality: the six criteria of good perceived service quality," *Review of Business* 9, no. 3 (1988): 10-13.

<sup>20</sup> R. L. Oliver, Satisfaction: a behavioural perspective on the consumer (London: McGraw-Hill, 1997).

<sup>21</sup> A. Palmer, *Principles of ServicesMarketing*, 2nd ed. (London: McGraw-Hill, 1998).

<sup>22</sup> B. Edyardsson, B. Thomasson, and J.

Ovretveit, *Quality of service: making it really* work (London: McGraw Hill, 1994).

<sup>25</sup> T. J. Peters and J. R. Waterman, *In search of excellence* (New York: Harper & Row, 1982); R. J. Schonberger, *World Class Manufacturing* (London: Collier MacMillan, 1986).

<sup>24</sup> W. E. Deming, *Management of statistical* techniques for quality and productivity (New York: New York University, Graduate School of Business, 1981).

<sup>26</sup> C. Witt and A. Muhlemann, "Service quality in airlines," *Tourism Economics* 1, no. 1 (1995): 33-49.

<sup>26</sup> R. H. Woods and J. Z. King, *Quality Lead*ership and Management in the Hospitality Industry (East Lansing, Mich.: American Motel and Hotel Association, 1996).

27 www.lodgecc.com, 2004

<sup>28</sup> www.rtjgolf.com, 2004

<sup>29</sup> www.lodgecc.com, 2004

<sup>30</sup> S. Alberty and B. Mihalik, "The use of importance-performance analysis as an evaluative technique in adult education," *Evaluation Review* 13, no.1 (1989): 33-44.

<sup>21</sup> C. Ennew, C. Reed, and M. Binks, "Importance-performance analysis and the measurement of service quality," *European Journal of Marketing* 27, no. 2 (1993): 59-70; M. Joseph and B. Joseph, "Service quality in education: a student perspective," *Quality Assurance in Education* 5, no. 1 (1997): 26-37; R. K. S. Chu and T. Choi, "An importance-performance analysis of hotel selection factors in the Hong Kong hotel industry: a comparison of business and leisure travelers," *Tourism Management* 21 (2000): 363-377; J. Martilla and J. James, "Importance-performance analysis," *Journal of Marketing* 41 (January 1977): 77-79.

<sup>32</sup> A. Parasuraman, V. A. Zeithaml, and L. L. Berry, "SERVQUAL: A multiple item scale for measuring consumer perceptions of service quality," *Journal of Retailing* 64 (1988): 12-37.

<sup>33</sup> Parasuraman, Zeithaml, and Berry.

<sup>34</sup> S. Hudson and G. W. H. Shephard, "Measuring Service Quality at Tourist Destinations: An Application of Importance-Performance Analysis to an Alpine Ski Resort," *Journal of Travel and Tourism Marketing* 7, no. 3 (1998): 61-77.

<sup>35</sup> J. C. Nunnally, *Psychometric Theory* (New York, NY: McGraw-Hill Book Company, 1978).

Martin O'Neill is an associate professor and Susan Hubbard is an associate professor and program director in the Department of Hotel and Restaurant Management at Auburn University.