

**SERVICE QUALITY GAPS AND THEIR EFFECT ON ORGANIZATIONAL
PERFORMANCE IN THE REAL ESTATE INDUSTRY IN KENYA: CASE OF
MYSPACE PROPERTIES**

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ABSTRACT

Service quality gaps usually exist whenever a client goes to a real estate company for its services. This is because most of the time the real estate agents usually overpromise and they fail to deliver as per the promise that they made. This brings in a problem in the satisfaction of the customer which is known to be a key determinant in organizational performance. The main objective of the study was to evaluate the gaps that come about in service delivery namely the gap between consumer expectation and the management perception, the gap between management perception and quality specification, the gap between service quality specification and service delivery, the effect of the gap between external communication and the service that is delivered, the effect of the gap between expected service and experienced service and see their effect on organizational performance. The research design for the study was exploratory research design. A census of staff at MySpace properties numbering 25 was conducted. The instruments used for data collection were questionnaires which were handed to the employees and returned back. Data analysis was done through S.P.S.S program and results were presented by use of tables and graphs to show how each independent variable affect the dependent variable. The analysis showed the gaps that do exist in the property industry and specifically at MySpace properties and also recommendations were done on how best the gaps can be dealt with.

Keywords: *service quality, service quality gaps, organizational performance.*

Introduction

This research was done on the real estate industry in Kenya so as to see how well the players in the industry usually understand service quality as well as how home buyers usually perceive the service that they are accorded whenever they visit such companies.

Kenya's real estate boom has arisen because many investors have switched their savings from the low-yield treasury bills to the hugely profitable property market. The comparatively low Kenya property prices are indicative of a strong capital growth potential and reasonable rental yields. Kenya's annual housing demand stands at 150,000 units yet supply is only at 35,000 units, resulting in a shortage of 115,000 units. Our prime objective is to fill this gap by developing and facilitating new housing projects (www.myspacepropertieskenya.com).

MySpace properties is a real estate company which was established in 2009 with its offices situated in Mombasa town which is the main office and with no branches yet. Its core business is usually sales, development, renting and management of real estate. It currently employs 25 staff who in one way or another usually impact on customers who are the main determinants of organizational performance. The mission of MySpace properties has always been to be the first pick when it comes to anyone venturing into real estate, property development and the housing industry in Kenya. Its aim is to deliver to its clients the best services and cater for the real estate boom in Kenya; specifically in Mombasa. They help buyers, investors, owners and developers meet their needs.

They view their services as utilities customized to solve any and all of their customers concerns. Holding hands with their clients at every interval they ensure that the tasks they are given offer an enjoyable and profitable experience. Customers understand their needs and they understand what is required to assist them cater for those needs. An investment in property is more than just that; the security one endeavors to acquire from such investments is the real motivation behind such life decisions. As it would be expected high degrees of trust, credibility and reliability are essential; they have instilled these qualities in themselves and into the services they offer. They employ innovative marketing techniques, reliable communications channels and experienced property agents so as to make their customers property sale victorious (www.myspacepropertieskenya.com).

Statement of the Problem

MySpace properties is a company that is in the real estate sector in Kenya where most of the real estate business mainly relies on referral customers as well as repeat business from the clients you have already served in the past this is the reason why companies in the industry should always make sure they bridge the gaps that occur during service delivery so that they will have only satisfied customers for business to go on. Clients in the real estate sector are increasingly becoming more sensitive to the kind of service that they receive. This has mainly been brought about by the mushrooming of quack real estate agents or mainly referred to as street vendors who are out there to make a quick kill regardless of the service that they offer the clients their main agenda is to get as much from a client as is possible without caring if they come back or not or whether they are satisfied or not.

Competition has also intensified in the sector with so many companies coming up and trying to serve the same market this competition has greatly contributed to the problem for most of

the real estate agents will try to convince the customer that they are the best and even overpromising just to ensure that the customers buy from them. This has made the agents most of the time to overpromise what the client will get and they fail to deliver in the end. MySpace properties being in this same market has not been left out of this rush to get clients and many a times sales people have overpromised to what they cannot be able to offer and this has led to mismatches in the customer expectation and what they actually get in the end and this has brought dissatisfaction in some of its customers.

General Objective of the Study

To analyze how quality service gaps affect organizational performance at MySpace properties.

Specific Objectives

1. To explore the effect of the gap between consumer expectation and the management perception on company performance.
2. To study the effect of the gap between management perception and quality specification on company performance.
3. To analyse the effect of the gap between service quality specification and service delivery on company performance.
4. To identify the effect of the gap between external communication and the service that is delivered on company performance.
5. To determine the effect of the gap between expected service and experienced service on company performance.

Literature Review

Theoretical Framework

Service quality commonly referred as Servqual is the comparison between the expectation of a service with the performance of the service and it mainly determines the satisfaction level of a customer, this is usually a critical dimension which dictates the competitiveness of a company which is in the service industry whether the company is operating in the private or the public sector. At each service encounter customers usually gauge the service that they receive from their expectation and also compare it with past experience for the same service. If expectations become more than the performance then satisfaction occurs but the contrary is also true. The development of competitive service quality has made it an important aspect for companies to measure and evaluate the quality of services they usually encounter. This is because the expectations of the customers are changing day in day out in the work place (Kotler et. al 2009).

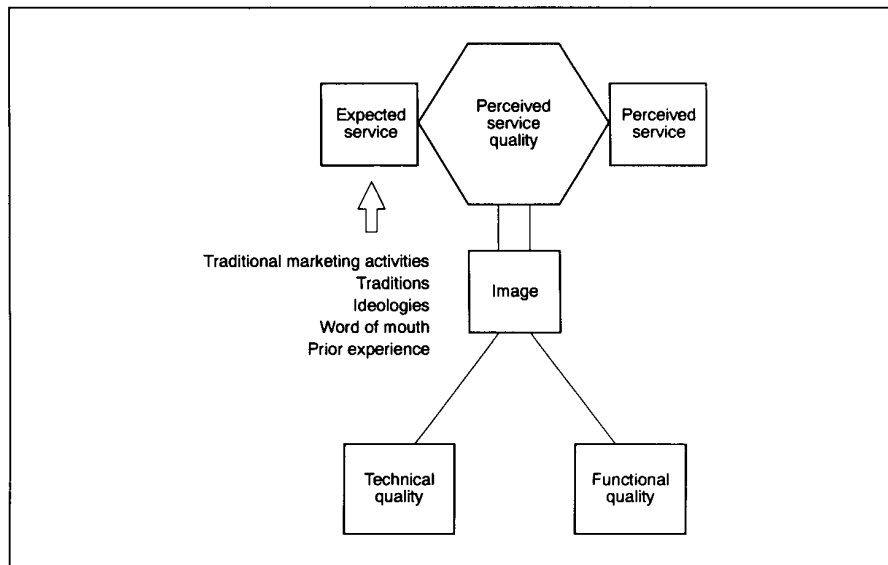
Models of Service Quality

Gronroos's Service Quality Model

Dotchin et al (1994) states that Gronroos (1988) defines the concept of service quality by saying technical quality is an evaluation based on what the consumer receives as a result of an interaction with the service provider. Functional quality is defined as an evaluation based on how the service is delivered. Drawing on consumer research, also suggested that service quality is dependent on two variables: the consumer's expectations of what the outcome will

be, and the consumer's perception of the actual result. This is illustrated in figure 1. One influence on the consumer's perception of service quality is the image of the firm which is held by the consumer. Gronroos (1988) pointed out that a positive image of a service may make the consumer tolerant of the negative experiences until, after being disappointed several times, the image deteriorates. The other principal influences on consumer expectations were suggested by Gronroos (1988) to be: Marketing activities, Traditions, Ideology, Communication with other consumers and previous experience of the service concerned."

Fig 1: Gronroos's Service Quality Model: Source Dotchin et al. (1994)

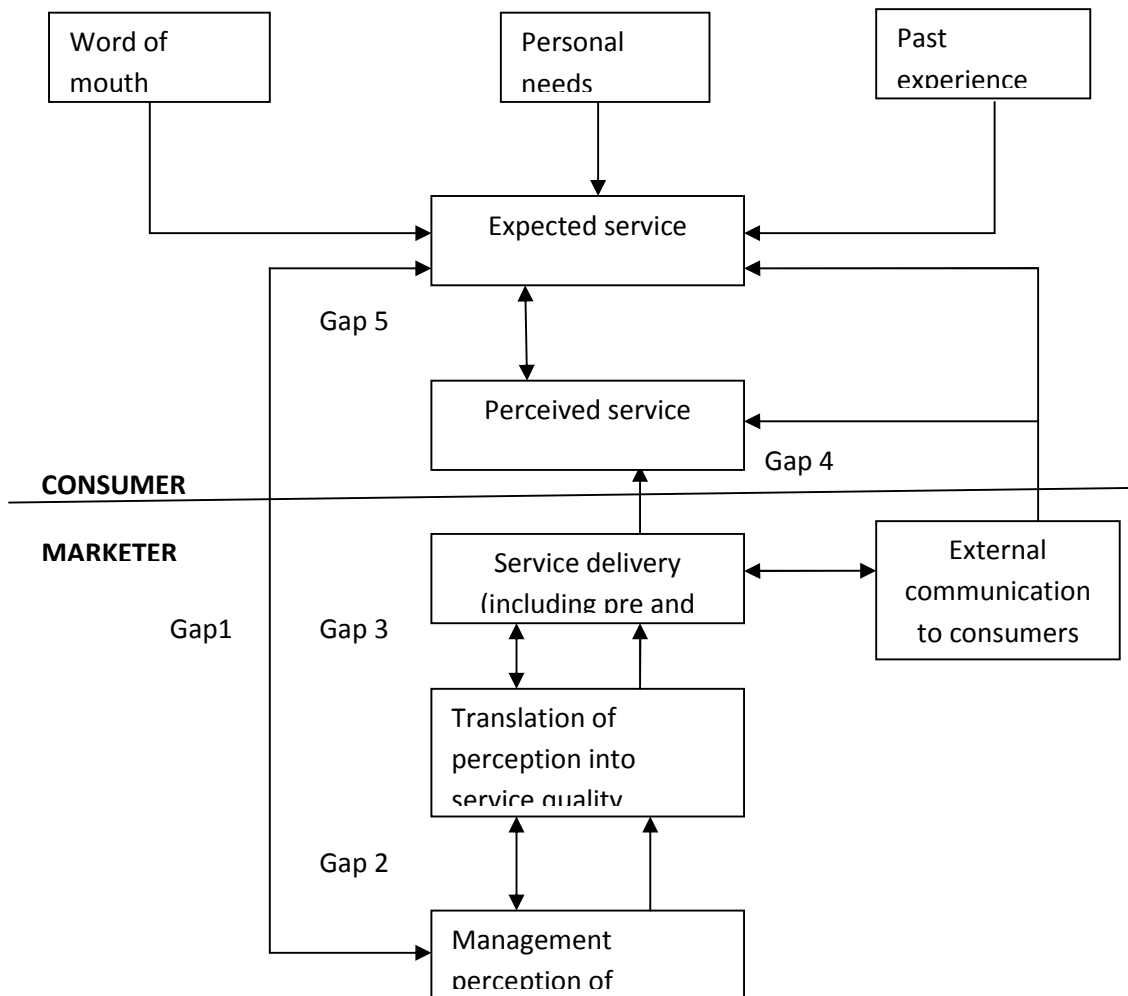


Parasuraman's Service Quality Gaps Model

Parasuraman et al. (1985) proposed service quality model for the first time and said service quality can be measured through functional quality dimension which has five components (tangibility, reliability, responsiveness, assurance, empathy). These components can be well understood by looking at what Kotler et al (2009) has written about them. These gaps can be evaluated through several dimensions which will help one to be able to evaluate and cater for the gaps. He states the components as; tangibles which are the equipment that the personnel use to offer the service as well as their own physical appearance these create a perception on the consumers mind on the level of service to expect, reliability which is the ability of the staff to perform the promised service dependably and accurately as it was promised in the initial stage of the service encounter, responsiveness which is about the willingness of the staff in the service company to help and provide the service promptly without any delays it is the receptiveness to the needs of the customer, assurance which includes the competence of the staff, courtesy to the staff, credibility and security the customer feels with the staff member this coupled with the ability of the staff to inspire trust and confidence on the customer it may also involve the assurance from the staff themselves, empathy which entails the attention that the representative provides to the customer including access to information how it is communicated as well as understanding the customer the customer will favour a staff that tries to put himself on the clients shoes.

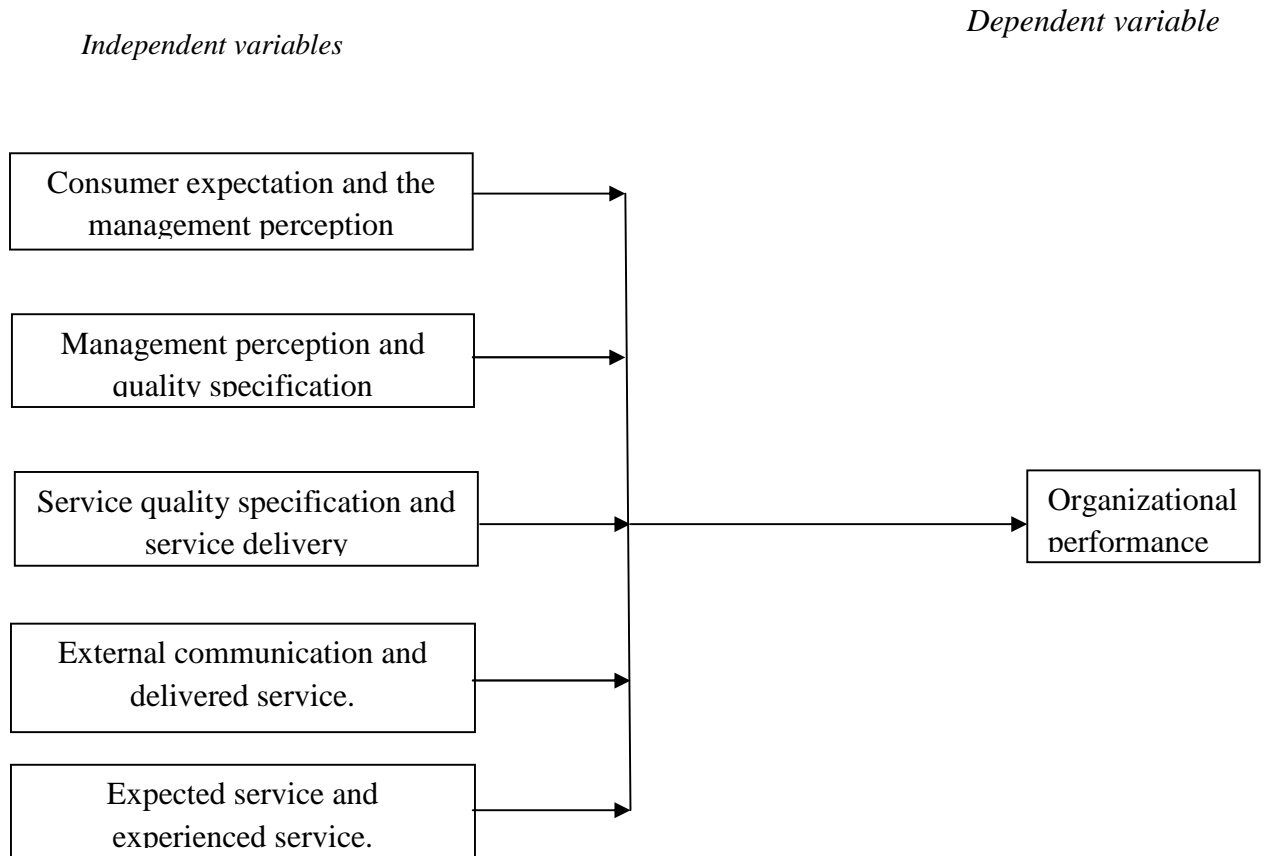
This model identifies the gaps of service quality of the service organization which describe five gaps during the service expectation till the actual service delivery. First gap is the service providers do not know what the expectations of the customers about the service. Second gap is the service provider does not recognize the standard of service that customer expect. Specifications of the service and delivery of service is the third gap. Forth gap is related with delivery of the service. Last and final gap is the customer’s expectation about the service and the perceived service. Kotler et al (2009) states that customers usually form service expectations based on any available source to them which can be things like, past experience, word of mouth as well as advertising and they create a picture of how they perceive the service will be. This perception is what they will use to evaluate the service after they have experienced it. If the perceived service falls below the expected service customers usually get disappointed. Most of the successful companies in the service industry usually add benefits to the service offering that not only will help in satisfying the customer but will also surprise and delight them. The customers will get delighted because the service experienced will have exceeded expectation. Parasuraman et al (1985) on the service quality model highlights the main requirements for delivering a high quality service. He identifies five gaps that cause unsuccessful service delivery which are seen in the figure below.

Fig.2: Service Quality Gaps Model: Source Parasuraman et al (1985)



Conceptual Framework

Fig3: Conceptual framework: Source author (2013)



Quality Service Gaps and Their Effect On Organizational Performance

Parasuraman et al (1985) the quality service gaps that occur during and as well as after the delivery of a service are; a gap between consumer expectation and the management perception, a gap between management perception and quality specification on company performance, a gap between service quality specification and service delivery, a gap between external communication and the service that is delivered, a gap between expected service and experienced service. These gaps in this study will be the treated as the independent variables and the performance of the organization as the depended variable.

Parasuraman et al (1985) state quality as “an elusive and distinct construct often mistaken for imprecise adjectives like "goodness, or luxury, or shininess, or weight” quality and its requirements are usually most of the times not understood by customers. It is also very hard to measure the level of satisfaction of the consumers for there are very few ways of doing it which even poses challenges to researchers also. Due to this he invented the service quality gaps mainly known as Servqual to try and understand the ways which a customer expects to be served that is when he came up with the gaps model which tries to explain where

shortcomings usually occur in service delivery. He identified five gaps that occur before, during and after service delivery which are as follows.

Consumer Expectation and the Management Perception

Kotler (2009) states that this happens when the management does not perceive correctly what the customers expect this is mainly brought about by the fact that sales people may fail to pass to the management what the customers are looking for in the service. Parasuraman et al (1985) many service firms' managers most of the time do not understand the features that constitute a high quality service to a consumer in advance. They also don't understand beforehand what features must be constituted in a service in order to satisfy the consumer needs best. Also they don't understand what features are needed in the service delivery in order for the consumers to rate the service as of high quality. This lack of understanding most of the times affects the quality perception of consumers.

Zeithaml et al (1988) states that most of the service firms sales people many a times do not understand the features that show a quality service to the consumers as well the attributes that will connote a quality service as well as the performance levels that are expected so that a quality can be termed as of high quality. He adds to say that due to the fact that there are very few clearly defined cues for the quality service to be delivered this gap becomes unavoidable. This gap is mainly got from marketing research and upward communication in the various levels of management. This gap mainly in real estate comes when the home buyer needs information such as the schools that are near the development, shopping centers, and essential services such as a grocery store and are usually disappointed when they find that the sales person does not have information on the same.

Management Perception and Quality Specification

Kotler (2009) states that on this gap the management sees correctly what the customer wants but they may fail to set a standard on achieving it this is due to the inadequate commitment to delivery of quality service and the perception of unfeasibility and the absence of goal setting. Parasuraman et al (1985) in numerous occasions the knowledge of what the consumer expects exists but the perceived method to be used to deliver the service to the expectation does not and this brings in the gap. He goes further to state that apart from the resources available in the company and the market constraints the other reason which makes this gap to occur is lack of full management commitment to service quality.

Zeithaml, et al (1988) states that there is a difficulty in managers trying to match or exceed what the customers expect. There are various factors which are usually constrained by resources of the company such as short term profit expectation of the company, market conditions and as well any indifference that may be there in the management which may affect the perception managers will have when specifying the service expectation. This gap mainly occurs in real estate when the management of the real estate company assume that the homebuyers do not need to know about things like financial guidelines in the purchase of property where as the homebuyers want to know about these things.

Service Quality Specification and Service Delivery

Kotler et al (2009) states that this arises from the people who are delivering the service which may be due to them either not willing or unable to meet the set standards. It can also be from poor employee fit which is matching the job with the employee, lack of technology to deliver the service, lack of supervision from the management and also lack of control as well as team work and systems in the company Parasuraman et al (1985). The existence of guidelines of how to perform the service best as well as ways on how to treat the customers well the delivery of a high quality service is not guaranteed. The management usually recognize that the firms' employees usually try their level best to deliver a quality service as perceived by the consumers but the standardization of the service cannot be guaranteed.

Zeithaml et al (1988) states that it is the difference which arises between the specification of the service and what is actually delivered. This he calls it the "service performance gap" which can be explained as the extent to which the service provider will not perform to the level which the management expects the service to be performed so it mainly occurs when the sales people are either unable or may be unwilling to perform the service to the extent that the management has set. This gap in real estate mainly occurs where the management has set the specification of delivering the quality service but a sales person may not know what properties are available in the company's database or even worse he may be lacking negotiation skills all these will affect how the service will be delivered.

External Communication and the Service that is Delivered

Kotler (2009) states that communications which the company does through either its sales representatives or even on advertisements may not be fully met when delivering the service. The gap is mainly from the company usually over promising to the customers and delivering less. Parasuraman et al (1985). Communications and other media advertising which are used by a company usually have an effect on the expectations that the consumers will have. If the consumers' perceptions play a major role in how the consumers perceive the service quality the communication in terms of promises should be made in a certain way that the company promises what it knows it is able to deliver and not to overpromise in the communication and fail in the delivery. When a company promises than it can deliver it will raise initial expectations of the customers but it will lower the perceptions of quality if the promises are not delivered.

Zeithaml, et al (1988) states that media advertising as well as any other external communication that the company does usually affect what the consumers will expect from the service firm. Any exaggerations that the company does in respect to the delivery of the service will affect the evaluation of the same by the customers. He emphasizes that there should be no "surprises" when the service is being delivered but it should match what was promised. Most of the time advertisements are carried in local dailies and property magazines about the properties on offer. These communications which are carried out about the properties make the homebuyers to establish a promise which has been made by the advertiser the gap comes in when there is difference between the image portrayed in the communication and the actual service that is delivered.

Expected Service and Experienced Service

Kotler (2009) states that this gap is brought about by the consumer misinterpreting the service quality thereby expecting more than what will be got in the service itself. From this the influence exerted from the customer expectations is largely influenced by the extent to which the customer had on his personal needs, what they have heard from friends and also their past experience with a similar service. Parasuraman et al (1985) Judgments of high and low service quality mainly are depended on how customers perceive the actual service performance based on what they had expected from the service. "The quality that a consumer perceives in a service is a function of the magnitude and direction of the gap between expected service and perceived service." This gap mainly occurs in real estate when any of the above four gaps occur during the service encounter with any of the people delivering the service for there will be a difference of the expectation and the actual service delivered.

Organizational Performance

Organizational performance is the measure of mainly the financial performance which is the measure of the change in the financial situation of a company or in other words it can be stated as the financial outcomes that usually result from the decisions that the management make and the execution of the same by the members of the organization thus the employees correctly. Due to the fact that these outcomes are usually contextual the measure which a company will adopt is usually contextual and is usually based on the circumstance at hand being observed so the outcome can either be good or bad. (Carton 2004)

Reilly (2007) highlights and virtues that are seen as the best in measuring people, processes and outcomes are seen as being characteristics in the company which are; Strategic Approach which is a consistency of the company in the strategic approach mainly helps to determine the success of that company. This can be measured to see whether the organization usually performs as it promises to perform for high performing organizations usually establish a very clear vision that is supported by flexible but achievable strategic plans. They also have employees and managers who always act consistently with the strategic plan and the company philosophy, customer approach which is based on how the company usually treats its customers.

Companies that are high performers usually have a clear approach as to how they obtain new customers, how they treat the existing ones and as well how to retain the customers they as well have the necessary infrastructure and the processes they use to support the customer approach, leadership approach which defines the strategy that the company uses in managing people so as to achieve a certain set of desired behaviours. High performance companies usually have very clear guidelines which are very clear on how the company employees exhibit to execute the specific organizational departmental strategies. The company executives will mainly set very clear goals; will understand the company's employee's abilities and they will also guide their performance. (Reilly 2007)

Processes And Structures, which captures the aspect of how the organization arranges its work processes, policies as well as procedures to support and execute the company strategy. Companies that are high performing usually put in place processes that will help to reinforce strategy, setting up the work flows as well as tasks that will enable the company employees

to meet internal as well as external customer needs but based on the company limits of the strategy, values and beliefs, which are the essential in helping the company to execute its overall strategy and as well achieve its mission. High performing companies usually have a set of very well established values which are the main drivers of employee behaviour and they are well understood by most if not all the employees. These five factors are seen as the major drivers of organizational performance they all interact with one another and create a whole system. Any change that is done to one usually affects the others so there should be consistency at all times. (Reilly 2007)

Mitchell (2002) states that organizational performance can be measured using four parameters which are; Relevance which is the level that the organizations stakeholder feel that the company is still relevant to their needs. This is usually evaluated differently by different stakeholders whereby the customers will judge relevance by of the services by buying them, the company employees will judge relevance by working hard, the shareholders will judge the relevance of the service by investing in the company and holding on to the shares and so on, effectiveness which is the degree or the extent to which the company will be able to achieve its vision, mission and the set out strategies, efficiency which is how well the organization will be able to use its limited resources to make sure that the customers get the best of the service they receive. These resources are human resource, financial resources, information resource, and the physical resources, financial viability which is seen as how the organization is viable in business not only in the short run but also in the long run. That is if the company is able to maintain profitability both in the short and long term.

Service Quality and Organizational Performance

Kotler (2009) states that whether the buyer gets satisfaction after he does a purchase will mainly depend on the providers performance of the service as compared to what the buyer really expected to receive or his expectation and also whether he interprets any deviations that may have occurred during the service delivery and if he interprets the difference between the two. In general the definition of satisfaction is the persons feeling of either contentment or disappointment arising from the use of the service as compared to the expectation. If the performance is lower than the perceived expectation the customer will obviously be dissatisfied. If the performance exceeds the buyers expectation contentment occurs and also if the performance exceeds the expectation he is highly contented or satisfied. The assessment of the service will mainly depend on so many factors that the customer deems to be of necessity to them.

Dotchin et al (1994) quotes from Gronroos (1988) to define customer satisfaction as the perception customers have on how the company delivered the service. That is whether they performed or underperformed the customer expectations including whether they met them fully or not. The starting point is the customer perception on the quality of the service for this is what they use to evaluate the quality of the service. Kotler et al (2008) state that in any service business the customer and the front line employees who are the actual ones offering the service interact to create the service. For the service to be rendered effectively in turn highly depends on the skills that the frontline employee has about the service as well as the support process which is backing the employees. So to make service quality to have an

impact on organizational performance most companies which are in the service sector usually focus their attention not only to the customers but their frontline employees as well. This chain usually consists of five links which include internal service quality which is how the company should make sure that it has superior quality employee selection as well as training both in and out of job the work environment should be conducive and of good quality and there should be a strong support for those who are dealing with customers. This will result in satisfied and productive service employees and if the internal environment is ok it will result to more satisfied, loyal and hardworking employees who will result in greater service value. More effective and efficient customer value creation and service delivery which will result in satisfied and loyal customers. Satisfied customers, who remain loyal, repeat purchase from the company and they will also refer other customers, which will result in healthy service profits and growth which is the superior service firm performance as well it will cut out a niche for itself at the expense of the competitor which is the ultimate goal of any company looking at organizational growth.

Critique of Existing Literature

There has been a widespread use of the traditional marketing principles that is the 4 P's in the marketing of services rather than knowing that service marketing has evolved and there are other tools which are being used to promote services. The research also finds that most of the work that has been done on service quality mainly deals with the conventional services but no one has ever tailored it to fit in the real estate sector.

So this research will be conducted to try and link quality service delivery to the real estate sector and also to show how the areas brought about by the models usually impact on organizational performance. When we look at the Servqual model we find that most of the players in the real estate industry usually concentrate on perceived service and delivered service without realizing that this gap may be as a result of non performance of the other four service gaps. This research will be done so as to bridge the gap that has always existed in the real estate industry on the performance of a quality service which has an impact on organizational performance.

Research Gaps

Most companies which are offering services in the real estate sector usually concentrate on the gap between the expected service and the service that is experienced thus looking for ways that they can be able to close it forgetting that there are other things like external communication, word of mouth the service delivery method which usually have an impact on their businesses performance. They usually forget that these other factors usually have an implication on the company performance for they may determine whether the customer buys or not. This study will be looking at all the avenues that may be used to make sure that the customer is satisfied so as to make the purchase and also refer others to use the same company when in need which will in turn improve the organizational performance.

Methodology

Research Design

This research was qualitative in nature and was a case study of MySpace properties it used descriptive research design. According to Lambin (2000) this is a research which is done so as to determine the nature of a problem or phenomena at hand. And is not intended to give a totally conclusive evidence on the problem but it helps one to be able to understand the problem at hand better. Bell (2010) This research does not aim to provide a final conclusion or give final answers to the research question but what it does is to explore the research topic at different levels of in depth. But it is also good to note that this research is usually the basis for more conclusive research. The research design was chosen because it is known that it is not only good service that will lead to good organizational performance so this study was mainly focusing on service quality gaps and their effect on organizational performance.

Study Population

The study covered 25 respondents selected from the human resource documents of MySpace as the employees who actually dealt with the customers. The study was a case study of MySpace properties so the research used a census which means it involved everyone at MySpace properties who deals with the customers whether directly or indirectly and did not include respondents outside MySpace properties so no sampling was done.

Data Collection instruments

Data collection tools used was the use predesigned questionnaires which were administered to get the information on how they perceived the service delivered to them. The questionnaires were designed in two parts where on part one respondents were to choose from a preset response what they felt about a particular issue which was partly borrowed from Parasuraman et al (1985) the 22 scale measurement of service quality and the second part allowed the responded to give their views on how they perceived the variables usually affect the performance of the organization.

Data Collection Procedure

The data was collected by handing over hard copies of the predesigned questionnaire to the respondents who filled in what they felt about each question and it was returned back by hand delivery.

Data Processing and Analysis

The analysis of the research was based on the outcome of the questionnaires administered on the sample. First it was sorted in the category in which the questions lied so that it could be possible to compare the results from each responded. The analysis also made use of means, standard deviation, graphs and tables to tabulate the results then the RATER model was used so as to get the gaps also borrowed from Parasuraman et al (1985).

Analysis of the Raw Data

After the data collection a reliability statistics of the data collected was done to ascertain the validity of the data collected. Joppe (2000) states that reliability is the extent to which results can be said to be consistent over time and as being an accurate representation of the total population under study. To test the reliability the Cronbach's alpha method was used using the program S.P.S.S according to Tavakol (2011) the Cronbach Alpha was developed by Lee Cronbach in 1951 and its main aim was to provide a measure of the internal consistency of a test or scale in a research. The results are usually expressed as a number between 0 and 1. The tests also show the amount of measurement error that is there in a research.

Table 2: Reliability Statistics.

	Personal	company	N of Items
	Cronbach's Alpha	Cronbach's Alpha	
Gap between consumer expectation and the management perception.	.773	.813	5
Gap between management perception and quality specification.	.803	.753	3
Gap between service quality specification and service delivery.	.753	.794	4
Gap between external communication and the service that is delivered.	.798	.770	4
Gap between expected service and experienced service.	.802	.764	4

Table 3: Analysis Of The Means

Gap between consumer expectation and the management perception.	The company office is easy to locate and visit.	You are professional and neat.	The sales materials you use are the right ones.	You get the required equipment.	You have the client's best interest at heart.
N	Valid	25	25	25	25
	Missing	0	0	0	0
Mean	5.44	5.20	5.28	5.00	5.28
Std. Deviation	1.193	.957	1.275	1.323	1.308
Variance	1.423	.917	1.627	1.750	1.710

Personal Evaluation Findings

The findings can be shown through the following analysis done through S.P.S.S program from the questionnaires that were submitted and collected from the respondents. The data from the questionnaires was input and analyzed through S.P.S.S and the following findings were obtained.

Gap between consumer expectation and management perception

This is the gap that occurs due to the expectation that the consumers have on the service that they will get from a service provider. This is usually determined by what the management has specified as the bench mark for a quality service. If the two do not match then a gap will arise and the customer will not be satisfied.

Table 4: Gap between consumer expectation and management perception.

	Frequency	Percent	Valid Percent	Cumulative Percent
The company office is easy to locate and visit.				
Valid	indifferent	7	28.0	28.0
	disagree	6	24.0	52.0
	partly disagree	7	28.0	80.0
	strongly disagree	4	16.0	96.0
	8	1	4.0	100.0
	Total	25	100.0	100.0
You are professional and neat.				
Valid	agree	1	4.0	4.0
	indifferent	4	16.0	20.0
	disagree	11	44.0	64.0
	partly disagree	7	28.0	92.0
	strongly disagree	2	8.0	100.0
	Total	25	100.0	100.0
You get the required equipment.				
Valid	3	3	12.0	12.0
	4	7	28.0	40.0
	5	7	28.0	68.0
	6	3	12.0	80.0
	7	5	20.0	100.0
	Total	25	100.0	100.0
You have the client's best interest at heart.				
Valid	3	3	12.0	12.0
	4	3	12.0	24.0
	5	9	36.0	60.0
	6	4	16.0	76.0
	7	6	24.0	100.0
	Total	25	100.0	100.0

Gap Between Management Perception and Quality Specification

This is what the management perceives to be a quality service and what they actually specify as the standard for the delivery of the service. This will determine to what extent the service providers will deliver the service to the clients.

Table 5: Gap Between Management Perception And Quality Specification

	Frequency	Percent	Valid Percent	Cumulative Percent
You have the required knowledge in real estate.				
3	2	8.0	8.0	8.0
4	4	16.0	16.0	24.0
Valid 5	6	24.0	24.0	48.0
6	7	28.0	28.0	76.0
7	6	24.0	24.0	100.0
Total	25	100.0	100.0	
MySpace insists on error free service.				
3	1	4.0	4.0	4.0
4	4	16.0	16.0	20.0
Valid 5	5	20.0	20.0	40.0
6	7	28.0	28.0	68.0
7	8	32.0	32.0	100.0
Total	25	100.0	100.0	
You state when the service will be delivered.				
3	1	4.0	4.0	4.0
4	7	28.0	28.0	32.0
Valid 5	9	36.0	36.0	68.0
6	6	24.0	24.0	92.0
7	2	8.0	8.0	100.0
Total	25	100.0	100.0	

Gap between Service Quality Specification and Service Delivery

This is what is specified to constitute a quality service in other words it specifies what is to be done and how it is to be done and to what extent and what is actually delivered to the client. This tries to match what is specified with what is delivered in the end.

Table 6: Gap Between Service Quality Specification And Service Delivery

	Frequency	Percent	Valid Percent	Cumulative Percent
You are sincere when serving the customer.				
3	2	8.0	8.0	8.0
4	5	20.0	20.0	28.0
Valid 5	5	20.0	20.0	48.0
6	8	32.0	32.0	80.0
7	5	20.0	20.0	100.0
Total	25	100.0	100.0	

You tailor make your time to fit clients time.					
	4	7	28.0	28.0	28.0
	5	7	28.0	28.0	56.0
Valid	6	4	16.0	16.0	72.0
	7	7	28.0	28.0	100.0
	Total	25	100.0	100.0	
You are always ready to help the customer.					
	3	1	4.0	4.0	4.0
	4	5	20.0	20.0	24.0
Valid	5	6	24.0	24.0	48.0
	6	5	20.0	20.0	68.0
	7	8	32.0	32.0	100.0
	Total	25	100.0	100.0	
You perform the service right first time.					
	3	1	4.0	4.0	4.0
	4	5	20.0	20.0	24.0
	5	6	24.0	24.0	48.0
	6	7	28.0	28.0	76.0
	7	6	24.0	24.0	100.0
Valid	Total	25	100.0	100.0	
	4	5	20.0	20.0	24.0
	5	8	32.0	32.0	56.0
	6	3	12.0	12.0	68.0
	7	8	32.0	32.0	100.0
	Total	25	100.0	100.0	

Findings Company Evaluation

The responses on how the company responds when it comes to service quality as well as how it helps to achieve the service quality gave out the following responses.

Table 9: Analysis of Means

Gap between consumer expectation and the management perception.		The company offices are easy to locate and visit.	There are professionals and they are neat.	The sales materials are the right ones.	MySpace has the required equipment.	MySpace has the client’s best interest at heart.
N	Valid	25	25	25	25	25
	Missing	0	0	0	0	0
Mean		5.76	5.72	5.36	5.24	5.20
Std. Deviation		.970	1.061	1.221	1.165	1.118
Variance		.940	1.127	1.490	1.357	1.250

The means analysis in table 4.4 shows that on average the majority of respondents on the part of company evaluation were over and above agreement (>5). The average standard deviation from the mean 1.107 with average variance being 1.232.

Gap between Consumer Expectation and Management Perception

This is the gap that occurs due to the expectation that the consumers have on the service that they will get from a service provider. This is usually determined by what the management has specified as the bench mark for a quality service. If the two do not match then a gap will arise and the customer will not be satisfied.

Table 10: Gap between Consumer Expectation and Management Perception

	Frequency	Percent	Valid Percent	Cumulative Percent
There are professionals and they are neat.				
	4	16.0	16.0	16.0
	5	24.0	24.0	40.0
Valid	6	32.0	32.0	72.0
	7	28.0	28.0	100.0
Total	25	100.0	100.0	
The sales materials are the right ones.				
	3	4.0	4.0	4.0
	4	24.0	24.0	28.0
Valid	5	28.0	28.0	56.0
	6	20.0	20.0	76.0
	7	24.0	24.0	100.0
Total	25	100.0	100.0	
MySpace has the client's best interest at heart.				
	3	8.0	8.0	8.0
	4	20.0	20.0	28.0
Valid	5	24.0	24.0	52.0
	6	40.0	40.0	92.0
	7	8.0	8.0	100.0
Total	25	100.0	100.0	

Gap Between Management Perception And Quality Specification

This is what the management perceives to be a quality service and what they actually specify as the standard for the delivery of the service. This will determine to what extend the service providers will deliver the service to the clients.

Table 4.10: Gap between management perception and quality specification

	Frequency	Percent	Valid Percent	Cumulative Percent
MySpace has the knowledge in real estate.				
	4	8	32.0	32.0
	5	4	16.0	48.0
Valid	6	8	32.0	80.0
	7	5	20.0	100.0
Total	25	100.0	100.0	
MySpace insists on an error free service.				
	3	1	4.0	4.0
	4	2	8.0	12.0
Valid	5	9	36.0	48.0
	6	6	24.0	72.0
	7	7	28.0	100.0
Total	25	100.0	100.0	
MySpace states service delivery timeline.				
	4	3	12.0	12.0
	5	8	32.0	44.0
Valid	6	11	44.0	88.0
	7	3	12.0	100.0
Total	25	100.0	100.0	

Gap between Service Quality Specification and Service Delivery

This is what the company specifies to constitute a quality service in other words the company specifies what is to be done and how it is to be done and to what extend and what the company eventually delivers to the client. This tries to match what is specified with what is delivered to the client in the end.

Table 12: Gap between Service Quality Specification and Service Delivery

	Frequency	Percent	Valid Percent	Cumulative Percent
MySpace is sincere when serving the customer.				
	3	1	4.0	4.0
	4	3	12.0	16.0
Valid	5	7	28.0	44.0
	6	9	36.0	80.0
	7	5	20.0	100.0
Total	25	100.0	100.0	

MySpace tailor makes time to fit client's time.					
	4	2	8.0	8.0	8.0
	5	5	20.0	20.0	28.0
Valid	6	15	60.0	60.0	88.0
	7	3	12.0	12.0	100.0
	Total	25	100.0	100.0	
MySpace is always ready to help the customer.					
	3	1	4.0	4.0	4.0
	4	5	20.0	20.0	24.0
Valid	5	6	24.0	24.0	48.0
	6	6	24.0	24.0	72.0
	7	7	28.0	28.0	100.0
	Total	25	100.0	100.0	
MySpace performs the service right first time.					
	4	4	16.0	16.0	16.0
	5	6	24.0	24.0	40.0
Valid	6	12	48.0	48.0	88.0
	7	3	12.0	12.0	100.0
	Total	25	100.0	100.0	

Gap between external communication and the service that is delivered

This is a gap which occurs when the company disseminates information to the prospective clients. They give a promise on what the customer should expect when he comes to get the service. This is compared to what is actually delivered to the customer when they come to get the actual service for they will gauge it according to what the communication said.

Table 13: Gap between External Communication and the Service that is delivered

	Frequency	Percent	Valid Percent	Cumulative Percent
MySpace keeps its promises.				
	3	2	8.0	8.0
	4	4	16.0	24.0
Valid	5	8	32.0	56.0
	6	8	32.0	88.0
	7	3	12.0	100.0
	Total	25	100.0	
MySpace gives realistic information.				
	4	9	36.0	36.0
	5	2	8.0	44.0
Valid	6	13	52.0	96.0
	7	1	4.0	100.0
	Total	25	100.0	

MySpace tells the client all they need to know.				
	2	1	4.0	4.0
	4	6	24.0	24.0
Valid	5	10	40.0	68.0
	6	4	16.0	84.0
	7	4	16.0	100.0
	Total	25	100.0	100.0
MySpace communicates with customers.				
	3	1	4.0	4.0
	4	6	24.0	28.0
Valid	5	5	20.0	48.0
	6	10	40.0	88.0
	7	3	12.0	100.0
	Total	25	100.0	100.0

Gap between Expected Service and Experienced Service

This is a comparison of what the customer had in mind that is what he had expected to get from the service provider and what actually is experienced after contact with the service provider. The expected service is usually based on past experience, word of mouth as well as external communication from the company.

Table 14: Gap between Expected Service and Experienced Service

MySpace offers a professional service.	Frequency	Percent	Valid Percent	Cumulative Percent
4	4	16.0	16.0	16.0
5	10	40.0	40.0	56.0
Valid 6	8	32.0	32.0	88.0
7	3	12.0	12.0	100.0
Total	25	100.0	100.0	
MySpace considers customer need and desires.				
4	7	28.0	28.0	28.0
5	6	24.0	24.0	52.0
Valid 6	8	32.0	32.0	84.0
7	4	16.0	16.0	100.0
Total	25	100.0	100.0	
MySpace is able to solve customer problems.				
4	5	20.0	20.0	20.0
5	8	32.0	32.0	52.0
Valid 6	9	36.0	36.0	88.0
7	3	12.0	12.0	100.0
Total	25	100.0	100.0	

Gap Analysis

Parasuraman et al. (1985) explains GAP analysis as generally referring to the activity of studying the differences between Standards which are set on the delivery of a service and the actual delivery of those standards, or the difference between customer perception and expectation of a service. Once the gap has been defined, an action plan can be developed to deal with the gap. The action plan will help the organization to be able to deal with the gap and move it from its current situation to the desired one.

The most used model to measure the gaps is the use of the RATER model developed by Parasuraman which was developed from the SERVQUAL model which were from the research work of Parasuraman. The RATER model is an acronym meaning Reliability which is how able one can perform the service accurately and dependably, Assurance which relates to how employees know about the service as well as their accuracy and ability to convey trust and confidence to the customers, Tangibles which is the physical facilities as well as equipment used in the delivery of the service, Empathy which refers to the care and individualization of each customer, Responsiveness which is the willingness of the service provider to deliver a prompt service and help the customer (Parasuraman et al. 1985)

By using the RATER model we can be able to analyze the gaps by pairing the samples so as to get the pairs that are towards each variable together so that we can identify the gap as shown in the tables below using paired samples T test at 95% confidence level.

Table 15: Gap between Consumer Expectation and the Management Perception of Quality Service

		personal		company		Gaps
		Mean	Std. Deviation	Mean	Std. Deviation	
Pair 1	The company office is easy to locate and visit.	5.44	1.193	5.76	.970	0.32
	You are professional and neat.	5.20	.957	5.72	1.061	0.52
Pair 2	The sales materials you use are the right ones.	5.28	1.275	5.36	1.221	0.08
	You get the required equipment.	5.00	1.323	5.24	1.165	0.24
Pair 3	You have the client's best interest at heart.	5.28	1.308	5.20	1.118	0.08
	You have the required knowledge in real estate.	5.44	1.261	5.40	1.155	0.04
Total for gap 1						1.28

From the table above we find that the company is having a problem when it comes to what the consumers expect and what the management perceives to be a good service. This may be due to the fact that the management have market knowledge about the properties that are there in the market but the consumers may be lacking the market knowhow of how the property market operates thereby expecting to get much from the little that they have this making the gap be big.

Also we can be able to note that that the equipment that the service providers are getting is also lacking and this also could be a contributor to the gap.

Table 16: Gap between Management Perception and Quality Specification

		personal		company		gap
		Mean	Std. Deviation	Mean	Std. Deviation	
Pair 1	You have the client's best interest at heart.	5.28	1.308	5.40	1.155	0.12
	You have the required knowledge in real estate.	5.44	1.261	5.64	1.114	0.2
Pair 2	MySpace insists on error free service.	5.68	1.215	5.56	.870	0.12
	You state when the service will be delivered.	5.04	1.020	5.56	1.083	0.052
Total gap 2						0.492

In this case we can be able to see that the gaps are very minimal and there is a lot of acceptance when it comes to management perception of a quality service which is the act of the management being able to know what the customers want from the market and also transforming it to specifications which is setting up the procedures and ways in which the service will be delivered to the satisfaction of the consumers. We see the gap that is arising in this section being a minimal so there is no much difference in the two so this is an area the company can go on as it is.

Table 17: Gap between Service Quality Specification and Service Delivery

		personal		company		gap
		Mean	Std. Deviation	Mean	Std. Deviation	
Pair 1	You are sincere when serving the customer.	5.36	1.254	5.56	1.083	0.2
	You tailor make your time to fit clients time.	5.44	1.193	5.76	.779	0.32
Pair 2	You are always ready to help the customer.	5.56	1.261	5.52	1.229	0.04
	You perform the service right first time.	5.48	1.194	5.56	.917	0.08
Total gap 3						0.64

As seen earlier in the previous gap analysis we see that the company is able to specify the quality that is to be offered to the clients without a problem. This may be due to enough market knowledge about the products that are there in the market. After the management has specified the quality that is to be delivered to the clients it becomes a lot easier for the service providers to be able to offer a quality service that is why we can see from the analysis that there is not a big gap when it comes to quality specification and service delivery. This is because when a service is specified well in how it should be delivered the service provider has a guideline which they are following and providing a quality service will be easy this explaining why the gap is low.

Tab 18: Gap between External Communication and the Service that is delivered

		personal		company		gaps
		Mean	Std. Deviation	Mean	Std. Deviation	
Pair 1	You keep your promises.	5.40	1.118	5.24	1.128	0.16
	You give realistic information.	5.52	1.229	5.24	1.012	0.28
Pair 2	You tell the client all they need to know.	5.40	1.118	5.12	1.201	0.28
	You communicate fluently with customers.	5.48	1.262	5.32	1.108	0.16
Total gap 4						0.88

This gap occurs when there is a mismatch between what the company communicates to the customers as offering. This can be in terms of advertisements that they place on newspapers, magazines, billboards or any other media which catch the attention of the customers. The customers use the information that they get from these sources to build a perception of the service that they will expect once they encounter the service provider. Here we see that the company gives information and it has also tried to live by it for we also see that the gap is also very small so there is a matching between what is communicated and what the customer gets when they encounter the service provider.

Table 19: Gap between expected Service and Experienced Service

		personal		company		gaps
		Mean	Std. Deviation	Mean	Std. Deviation	
Pair 1	You offer a professional service.	5.64	1.254	5.40	.957	0.24
	You consider customer need and desires.	5.68	1.215	5.36	1.075	0.32
Pair 2	You are able to solve customer problems.	5.28	1.173	5.40	.913	0.12
	You instill confidence in your behaviour.	7.80	11.976	5.32	1.108	2.48
Total gap 5						3.16

This is a gap which compares the overall that is the customer builds a perception of the quality of service that they will expect from the service provider and then compare it with what they actually get when they are in contact with the service provider. Customers usually match the service that they are receiving with the perception that they had about the service they had sought. Here we can see the largest gap coming up in this research and more so being made worse by the fact that the service provider staff does not actually instill confidence in their behaviour when delivering the service. This could be due to lack of knowledge about what they are offering or not being sure of what they are offering.

For better understanding the gaps are summarized and grouped according to the RATER model and the following table can be seen to explain the results of the study.

Table 20: Summary of the Gaps

	gaps
Reliability	1.28
Assurance	0.492
Tangibles	0.64
Empathy	0.88
Responsiveness	3.16

Service Quality Gaps and Company Performance

From the research we can be able to see that there were clients who visited MySpace properties seeking to get services from them. Only 40 % of the respondents were able to serve more than 30 clients in the past 6 months as shown in the table below.

Table 21: Have you served more than 30 clients in the last six months?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	15	60.0	60.0	60.0
	Yes	10	40.0	40.0	
	Total	25	100.0	100.0	100.0

This can be due to the fact that some of the service delivery staff are more competent in handling clients than others so most of the clients were referred to them as opposed to the others who are not fully equipped with the knowledge on how to serve the clients.

Table 22: Have at least 15 of the above translated into business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	10	40.0	40.0	40.0
	Yes	15	60.0	60.0	100.0
	Total	25	100.0	100.0	

After the service delivery the researcher wanted to find out how many of the clients translated into business having in mind that all the clients who were served were potential clients. We find that only 60 % of those who were served translated into business this meaning that the service delivery for this group was better but the 40% which did not translate into business could be due to the service quality gaps which may have occurred during service delivery.

Table 23: Have you received at least 50% repeat business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	13	52.0	52.0	52.0
	Yes	12	48.0	48.0	100.0
	Total	25	100.0	100.0	

When this question was posed to the respondents we see that the number which gave repeat business was lower now coming to 48% down from the 60% here we can be able to see that not

all the clients who were served came back to the company for another service. This also could be due to gaps which could have arisen in the service delivery making the clients seek for alternative service providers to get the service.

Table 24: Have you had business referrals from the clients in CQ1 above

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	14	56.0	56.0	56.0
	Yes	11	44.0	44.0	100.0
	Total	25	100.0	100.0	

From the table above we can be able to see that out of the clients who were served by all the service provider staff only 44% referred other clients to MySpace properties. This means they were satisfied by the service that they were given and also told others about it and they recommended them to MySpace. But on the other hand 56% of the clients never gave back any referral business meaning they were not satisfied by the service or maybe they complained and no one was there to give them a solution.

Summary

From the findings we can be able to see that there are service quality gaps which are coming up during service delivery at MySpace properties. And these service gaps have been seen to affect the quality of business at the company and hence there has been low repeat business as well as low referral business which is the main lifeline of property business.

Discussions

Service quality gaps is the difference between what the customer expects to get whenever he or she visits a service provider and what service is actually delivered to them. Many a times these two never conform to each other and there are differences between the two and that is what is referred to as service quality gaps. In real estate this usually occurs whenever a client goes to a real estate company for its services the client usually have a conceptual image of what they expect and usually gauge this against what they actually receive. In real estate these gaps come to be great because most of the time the real estate agents usually overpromise to extends whereby they even know they cannot be able to deliver and they fail to deliver what they promised during service delivery as per the promise that they made. This brings hinders the satisfaction of the customer which is known to be a key determinant in organizational performance for it will determine whether the customer will buy now, whether he will buy again and as well whether he will refer others to buy from you.

The main objective of the study was to do an evaluation of the gaps that come about in service delivery in the real estate industry namely the gap between consumer expectation and the management perception, the gap between management perception and quality specification, the gap between service quality specification and service delivery, the effect of the gap between external communication and the service that is delivered, the effect of the gap between expected service and experienced service and see their effect on organizational performance. The research design for the study was exploratory research design and a census of staff at MySpace properties numbering 25 was conducted. The instruments used for data collection were questionnaires which were handed to the employees and returned back. Data

analysis will be done through use of tables and graphs to show how each independent variable affect the dependent variable. It was seen that there are gaps that arise in the real estate industry and recommendations were done on the same.

Conclusions

What comes out from the study is that the gap analysis is a straight forward way to be able to see where a company has a shortfall in providing a quality service and it can be able to see where there are differences between what is expected and what is delivered. After the gaps are known it becomes easy to deal with the problem that is there. It is also easy to find the problem and identify how best one can be able to deal with it so as to make sure that there is no differences between the expectation and the service delivered thereby increasing the satisfaction level and also a positive taking by the customers making the gaps between the expectation and the delivery lower. This research also confirms the Gronroos' (2007) opinion that gap analysis model should be like a guide to the management to be able to see where the reason or what the reason for quality problems lie and also to discover ways of closing the gaps that come up. What comes out well in the research is that there is a major problem in quality specification and the formulae to use in order to know how to specify the quality for it emerges that external communication usually works mainly against the perceived quality for the promise are more than they can be able to deliver. It can also be concluded that each company has its own gap problem and should be able to analyze its customers and its staff to see how the two should be linked.

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