

**AN INVESTIGATION INTO SERVICE QUALITY
DETERMINANTS AND THEIR EFFECTIVENESS IN
REAL ESTATE AGENCY IN NAIROBI**

By

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DECLARATION

I hereby declare that this is my original work and has not been presented for the award of a degree in any other university.

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This thesis has been submitted for examination with my approval as University Supervisor.

Signed:

Name: Dr. Jennifer Murigu

Table of Contents

Title	i
Declaration	ii
Table of Contents	iii
List of Tables	vi
List of Abbreviations	vii
Abstract	viii
Acknowledgements	x
Dedication	xi
CHAPTER ONE: INTRODUCTION AND PROBLEM STATEMENT	1
1.0 Introduction	1
1.1 Problem Statement	2
1.2 Research Hypotheses	4
1.3 Research Objectives	4
1.4 Research Questions	4
1.5 Scope and Area of the Study	5
1.6 Significance of the Study	6
1.7 Organization of the Study	8
CHAPTER TWO: LITERATURE REVIEW	9
2.0 Introduction	9
2.1 Characteristics of Service	11
2.2 Service Quality	13
2.3 Perceived Service Quality	15
2.4 Service Quality Measurement Models	16
2.4.1 Disconfirmation Models	16

2.4.2 Perception Models.....	23
2.4.3 Weighted Versus Unweighted Models.....	24
2.5 Application of The SERVQUAL Model in Real Estate Agency.....	26
2.6 Estate Agency	31
2.6.1 Formation of the Principal-Agent Relationship	31
2.6.2 Termination of the Agency Relationship	32
2.6.3 Law Relating to Estate Agency in Kenya	34
2.7 Service Quality in Real Estate Agency.....	36
2.8 Summary	40
CHAPTER THREE: RESEARCH METHODOLOGY	42
3.0 Introduction.....	42
3.1 Research Design.....	42
3.2 Population of the Study.....	43
3.3 Sampling Plan	44
3.4 Data Collection Methods	45
3.4.1 Questionnaires.....	45
3.4.2 Interviews	52
3.5 Data Analysis	52
CHAPTER FOUR: RESEARCH FINDINGS AND ANALYSIS.....	54
4.0 Introduction.....	54
4.1 Characteristics of Participants.....	54
4.2 Determinants of Service Quality.....	56
4.2.1 Ranking Service Quality Determinants in Real Estate Agency	58
4.3 Comparison of Service Quality Determinants	61
4.4 Service Quality Delivery in the Real Estate Agency Sector.....	64

4.5 Comparing Service Delivery Perception between Estate Agents and property buyers	66
4.6 Causes of Poor Service Delivery	71
4.7 Summary	73
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....	74
5.0 Introduction.....	74
5.1 Summary of Findings.....	74
5.2 Conclusion	77
5.3 Recommendations.....	78
5.4 Areas of Further Research	82
Bibliography	83
Appendix I: Property Buyers’ Perception Scores	91
Appendix II: Estate Agents’ Perception Scores.....	93
Appendix III: Estate Agents’ Gap Scores.....	95
Appendix IV: Questionnaire to Property Buyers.....	96
Appendix V: Questionnaire to Estate Agents	103

LIST OF TABLES

Table 2.1: SERVQUAL Dimensions for Measuring Service Quality	19
Table 3.1: The SERVQUAL Questionnaire	49
Table 4.1: Characteristics of Participants	55
Table 4.2: Determinants of Service Quality	59
Table 4.3: Ranking of Service Quality Determinants	61
Table 4.4: Comparison of Service Quality Determinants	62
Table 4.5: Performance of Real Estate Agents According to Consumers	65
Table 4.6: Estate Agents' Determinants of Service Quality	67
Table 4.7: Estate Agents' Ranking of Determinants of Service Quality	69
Table 4.8: Estate Agents Performance: Estate Agents versus property buyers	70

LIST OF CHARTS

Chart 2.1: The Service Quality Gap Model	22
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LIST OF ABBREVIATIONS

ATM	: Automatic Teller Machine
GDP	: Gross Domestic Product
ISK	: Institution of Surveyors of Kenya
NGO	: Non-Governmental Organization
SERVPERF	: Service Performance
SERVQUAL	: Service Quality

ABSTRACT

Service in real estate agency is any act or performance that a party can offer to another that is essentially intangible and results in the ownership of a right or interest. Its production may or may not be tied to a physical product. Quality on the other hand is the totality of features and characteristics of a product, or a service that bears on its ability to satisfy stated or implied needs. This definition has been advanced to encompass the totality of characteristics of an entity that bear on a product's ability to satisfy stated and implied needs of the customers. Service quality has been termed as the extent to which a service meets customers' needs or expectations. It can thus be defined as the difference between customer expectations of service and perceived service.

This study has applied the service quality model developed by Parasuraman et al. (1988) to the real estate agency industry for the purposes of identifying determinants of service quality, determine whether property buyers' service expectations are congruent with their perceptions of service rendered by estate agents, determine whether the determinants and perceptions of service quality perceived by estate agents are consistent with those perceived by property buyers, evaluating the level of service quality delivered and investigating possible methods of improving service quality in the sector.

Analysis of property buyer response patterns about expectations of service indicate that the determinants of real estate service quality are service assurance, responsiveness, tangible service characteristics, reliability of service and service empathy. Service quality was found to be delivered in areas of service empathy

and tangible product characteristics. However, service quality fell below expectations in the areas of service assurance, reliability and responsiveness.

Performance feedback and evaluation have been identified as necessary measures to improve service quality because they provide a base for implementing corrective behavioral attributes and improving future service quality. Possible causes of poor service delivery and specific intervention measures for improving service quality have been advanced in the study.

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DEDICATION

To Lucie with love

CHAPTER ONE

INTRODUCTION AND PROBLEM STATEMENT

1.0 Introduction

Analyzing consumer satisfaction and quality in service sector industries is an evolving area of research of particular importance to the real estate agency industry. Published studies repeatedly identify industry-wide characteristics of high turnover, low per capita income, and increasing levels of competition in the sector (Johnson et al, 1988). For individual agency firms or real estate licensees to thrive and prosper in such an environment, they must recognize these industry conditions and adapt their business practices accordingly. To compete effectively in the real estate agency industry, factors that can be controlled by the firm or licensee and used to increase overall profitability should be identified and optimally used.

One way to gain a competitive edge in the agency industry is to improve upon the quality of service that is being delivered to buyers and sellers in the marketplace. Service quality is generally recognized as distinct from product quality, because service quality is measured by the degree to which service performance matches consumer expectations of service. Once its determinants are recognized, service quality is an element that at least can be partially controlled and improved upon by real estate salespersons.

Unique characteristics of service sector industries differentiate them from product oriented industries and compound the difficulty of defining service quality. These service characteristics have been neatly categorized by Zeithaml, Parasuraman and Berry (1990) as heterogeneity or non-standardized levels of service performance ; inseparability of production and consumption due to continuous consumer interaction with delivery of service; intangibility due to the nature of services versus product performance; and perishability associated with inability to inventory services when demand fluctuates.

It is imperative for real estate agency firms to know what determines customer satisfaction, how to meet such determinants, and ways of rendering customer-oriented service quality if they want to keep their clients' needs fulfilled.

1.1 Problem Statement

Real estate firms have traditionally competed on price and variety of services but stiff competition in the industry has forced the firms to look for other strategies to make them attractive to customers, one of them being improvement on service quality.

Johnson et al., (1988) argue that, perception of service quality has received almost no theoretical measurement attention, despite the fact that it is thought to be of great importance in the success of service delivery. Most studies conducted have been one-sided i.e. biased towards customers and almost nothing on the service providers. Although some objective measures of service quality can be taken as they are performed, such as time spent waiting, number of errors in filling an

order, and the like, according to Zeithaml (1990), it becomes quickly apparent that such measures do not adequately capture the real test of service quality of whether the customer was satisfied.

While categorized as a service sector industry, real estate agency differs in many respects from the retail banking, securities brokerage, credit card, and product maintenance service industries that were used to develop generic determinants of service quality. Unlike most other service industries, the real estate agency industry is characterized as being prescriptively customized. That is, there is a high degree of consumer customization because the buyer is continuously involved in and affects the production process. In addition, estate agents are required to exercise a great degree of personal judgment concerning service and delivery characteristics. Because of these industry differences, service quality determinants for other industries may be inapplicable to real estate agency.

Marketers therefore have been forced to recognize that they must ultimately define quality in terms of customers' subjective opinions, for their decisions take place in the mind. Service providers therefore need to emphasize on customer and their changing needs not only on efficiency of internal processes.

There is a gap between perceptions of both service providers and customers' on understanding of what service quality is and unless the perceptions are understood, there will always be a gap in the delivered service by service providers and expectations of the customers.

This study is therefore set to compare the service providers and customers perceptions of service quality in real estate agency in Nairobi and is aimed at answering the question; is there a difference between service providers and customers' perceptions of service quality?

1.2 Research Hypotheses

H0: Property buyers' perception of service quality is not the same as that of real estate agents.

HA: Property buyers' perception of service quality is the same as that of real estate agents.

1.3 Research Objectives

1. To identify the determinants of service quality in the real estate agency industry.
2. To determine whether property buyers are satisfied with the services rendered by estate agents, and;
3. To determine whether the determinants and perceptions of service quality perceived by estate agents are consistent with those perceived by property buyers.

1.4 Research Questions

This study seeks to answer the following questions:

- i. What are the determinants of service quality in real estate agency?

- ii. Are property buyers satisfied with the services rendered by estate agents?
- iii. Are estate agents' determinants and perceptions of service quality the same as those of property buyers?

1.5 Scope and Area of the Study

The study examines property buyers perceptions from a sample drawn from the larger population of individuals who have bought their properties through agents in Nairobi since the entire country is quite extensive and it may not be possible to undertake an intensive research if studied as a whole. This city has been chosen to be a representative sample of the whole country. The restriction to Nairobi is due to the fact that the city is the most important commercial city as the volume of economic activity in the metropolitan exceeds that of all towns in the country. Nairobi city is a county by itself in view of its importance. It accounted for 8.13% of the country's population and about 23% of the country's urban population. It contributes more than 60% of the national GDP. It is the seat of the national government and aspires to transform into a world class city. It is important in national development and receives prime attention in allocation of resources, development and governance. It is the first recipient of investments by both domestic and trans-national private sector investors.

The pattern of urbanization in the country is highly skewed with the Nairobi area dominating and large regions of the country left with low urbanization. The current average household size is 3.4 with a total demand for housing estimated to be 1,935,641. Also the vast majority of estate agency firms who are involved in

real estate practice have their head offices or branch offices located in the city. The Kenya Gazette Vol. CXIII-No. 35 of 15th April, 2011, Gazette Notice No. 4213 on Registered Estate Agents, shows that approximately 79% of estate agents in Kenya are based in Nairobi. Being the administrative and financial capital of Kenya, Nairobi is experiencing continued growth and change. Spatially, different parts of the city are growing at different rates. Peripheral areas are growing faster than core area. This growth has been parallel to the ever increasing demand for housing. Economically the city is transforming from a predominantly administrative and service center into an industrial and financial center with the majority of labour providers residing in the city and participating in its property market. The area has also been considered due to the fact that a good percentage of properties have been acquired through agents and hence a lot of primary data is available. Nairobi is also close to the researcher's base.

1.6 Significance of the Study

Within organizations, customer satisfaction ratings can have powerful effects. They focus employees on the importance of fulfilling customers' expectations. When these ratings dip, they warn of problems that can affect sales and profitability. When a brand has loyal customers, it gains positive word-of-mouth marketing, which is both free and highly effective. Improving service quality is of paramount importance to many organizations for a number of reasons. It is seen to be the answer in gaining a competitive edge, assisting in increasing profitability, and is viewed as a major strategic variable in developing and maintaining fruitful and prosperous relationships in different areas of marketing.

A goal of a professional services advertisement is to create a message that conveys to the potential consumer that the professional service provider is sufficiently skilled to perform the service. The critical service quality variables in the advertisement must be reinforced by the service provider during the service encounter. It goes without saying that the service provider must know these quality variables.

The best way to understand service effectiveness is through customer perceptions. In the world of service delivery, they're especially important due to the personal and interactive nature of services. The ground is shifting as the service is performed, and what you think was perfect may be far from satisfactory. That's why you must specifically ask your customer what he or she thinks about your services. This means identifying and satisfying customer needs is very important for an enterprise to survive.

In the real estate sector, there is increased sophistication of both consumer and business markets and the increased availability of services and products from new competitors. To customers, trying to make a choice among these suppliers would seem to require a trade-off between relationships and economies, trust and products, or service and efficiency. This study seeks to find out what really matters to consumers of real estate agency services in services' provision. The study will give real estate agents a distinctive knowledge about how their perceptions of service quality differ with those of customers and hence strive to narrow the gap. Marketing practitioners will benefit from the research since it will

enhance their understanding of service quality, which will aid them in integrating it in their marketing activities. The study will also give other researchers an insight which will act as a springboard to stimulate further research while at the same time helping other sectors of the economy such as banking, tourism etc. where quality of service provided is paramount.

1.7 Organization of the Study

The study is organized into five chapters.

Chapter one covers the introduction to the research topic, problem statement, objectives of the study, research hypothesis, significance of the study, scope and area of study, as well as organization of the study.

Chapter two covers literature review on real estate agency, service quality, characteristics of service, service quality measurement models, service quality dimensions, importance of measuring service quality and a discussion on service quality in the real estate industry.

Chapter three covers the research framework; population, sample frame, research instruments, methods used for data analysis and data presentation.

Chapter four contains presentation and analysis of collected data.

Chapter five has the summary of findings, conclusion and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Organizations have realized that although marketing activities like sales promotion, advertising and low prices attract customers, it is how well the customers are looked after by employees that keep them. Service marketers have experienced for the past few years that competition can be well managed by differentiating through quality, and of course there are exceptions where quality has traditionally been an internal affair (Sachdev and Verma 2004). Service provision has been defined as an economic activity that does not result in ownership, and this is what differentiates it from providing physical goods. Provision of services is a process that creates benefits of facilitating a change in customers' physical possessions, or a change in their intangible assets. A service can thus be a business of people dealing with other people, a deed, a performance, or an effort. On the other hand, a good is an object, a device, or a tangible thing (Baker, 2000).

Overall however, service provision is not independent of tangible goods; so the dichotomy between physical goods and intangible services is sometimes irrelevant. This is because services occasionally compete in the market place with goods that offer broadly similar benefits, like maintenance services. A good example is the hotel industry that not only provides physical goods (food and

drinks), but also offers services in the form of ambience, the setting and clearing of the tables (Perreault & McCarthy 1996). In this case therefore, services can only be differentiated from goods in terms of their main attributes of intangibility, inseparability and variability (Kotler, 2000).

Customer service provision requires a high degree of interaction between the customer and service provider. As a consequence, customer service provision cannot be a predetermined process which can be highly automated since it usually involves a considerable human activity (Cardwell, 1995). However, many organizations have attempted to automate some routine interactions with their customers because face- to- face customer service is a labour-intensive, expensive and a risky way to do business since one employee or consumer can ruin the company's reputation. An example of an automated customer service is the Automated Teller Machine (ATM) in banks or answering machines in telephone lines.

Satisfaction is the customer's evaluation of service in terms of whether that service has met customer's needs and expectations. If performance is below the expectations, the customer is dissatisfied; if performance equals expectations, the customer is satisfied; and if performance exceeds expectation the customer is delighted. Since services are deeds, processes and performances offered by an organization, perceived service quality is a component of customer satisfaction which occurs when a customer feels well taken care of and is not only satisfied but delighted by the organization's level of service (Mutuku, 2006).

2.1 Characteristics of Service

In general, services are described as “deeds, processes, and performances” (Zeithaml & Bitner, 2000). The concept of services is, however, so nuanced that it is hard to construct a simple definition. Kotler (2003) comments that service industries are quite varied. The government sector is in the service business, the private non-profit sector, a good part of the business sector and many workers in the manufacturing sector such as accountants and the legal staff are really service providers. Significant effort has gone into defining service, primarily by classifying types of services or recognizing service characteristics that differ from goods. Zeithaml et al. (1990) articulated that service quality has different characteristics from goods in three aspects related to how they are produced, consumed and evaluated.

First of all, services are intangible. That is, they cannot be seen, touched, held, or stored (Zeithaml et al, 1990). Since they are performances and experiences rather than objects, it is difficult to establish precise manufacturing specifications regarding uniform quality. They are therefore more difficult to demonstrate in an exhibition thus their marketing requires imaginative personal selling. To reduce uncertainty, buyers will look for evidence of the service quality. They will draw inferences about quality from the place, people, equipment, communication material evidence to “tangibilize the intangible” (Kotler, 2003). Intangibility therefore presents several marketing challenges. Services cannot be patented therefore easily copied by competitors. Services cannot be easily displayed or communicated so quality may be difficult for consumers to assess. In most cases,

services cannot be inventoried, counted, or transported (Lovelock, 1981; Shostack, 1977).

However, Zeithaml et al (1990) suggest that services are not all intangible, but, rather, are placed on a *continuum of intangibility*. Even if it can be said in extreme terms that pure services are intangible and pure goods are tangible, most services and goods exist between the two extremes of the intangibility continuum, having both tangible and intangible elements. For instance, when people go to a restaurant to eat; they purchase a physical meal as well as the delivery of the meal (Schneider & White, 2004).

Zeithaml et al (1990) second observation is that services are heterogeneous. Their performance often varies from producer to producer, from customer to customer, and from day to day. This is due to the fact that service production and delivery often involve the interaction of both service personnel and customers. Because services are performances, frequently produced by humans, no two services will be precisely alike. Therefore, organizations and people ensuring consistent service quality find it a very challenging task. Accordingly, unlike the production of goods, the quality of service has an interactional nature that can hardly be standardized to ensure uniformity. This, in turn, makes it more difficult to measure and control its quality and performance.

The third observation from this study is that production and consumption of many services are inseparable (Zeithaml et al, 1990). Services are generally produced

and consumed simultaneously; evaluation of service products must be made during the process of consumption. Since the client is also present as the service is produced, provider-client interaction is a special feature of service marketing. The presence of the customer may affect (positively or negatively) the outcome of the service transaction. The quality of service and customer satisfaction will be highly dependent on what happens in 'real time' including actions of employees and the interactions between employees and customers (Zeithaml and Bitner, 1996).

In other words, unlike goods, it is impossible to produce a service, check it for defects, and then deliver to a customer (Schneider et al., 2004).

Services are also highly perishable; they cannot be saved, stored, returned or resold. According to Kotler, the perishability of services is not a problem when demand is steady but when demand fluctuates; service firms have a big problem. Zeithaml and Bitner (1996) reiterate that demand forecasting and creative planning for capacity utilization are therefore important and challenging decision areas. The fact that services cannot typically be returned or resold also implies a need for strong recovery strategies when things go wrong. Estate agents are required by law to insure themselves against negligence by taking professional indemnity insurance. Professional indemnity insurance, while a noble innovation, however may lead some practitioners to discount on quality of work, knowing that where poor quality is detected, the penalties can be passed on to the insurer.

2.2 Service Quality

Quality has been analyzed as a factor in the management process since 1930s, but it was not until after Second World War that it became an important management

concept (Dobler & Burt, 1996). Management scientists use the term to refer to physical products and contend that quality cannot just be defined in relation to some abstract concept of ‘excellence’, but should be seen in relation to the demands of the user of the final product. For instance, they see quality in terms of fitness for use and conformance to requirements rather than goodness.

ISO 8402 defines quality as the totality of features and characteristics of a product, or a service that bears on its ability to satisfy stated or implied needs. This definition has been advanced to encompass the totality of characteristics of an entity that bear on a product’s ability to satisfy stated and implied needs of the customers. Nicholas (2004) describes quality as a process of delivering to satisfy the customer and adds that quality is about how consistently a product or a service delivered meets or exceeds the external and internal customers’ expectations and needs. The process of defining quality is abstract because how one defines it is subjective because quality depends on one’s perception.

Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either (Wisniewski, 2001). There are a number of different “definitions” as to what is meant by service quality. One that is commonly used defines service quality as the extent to which a service meets customers’ needs or expectations. Service quality can thus be defined as the difference between customer expectations of service and perceived service. If

expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman et al., 1985).

2.3 Perceived Service Quality

Perceived service quality focuses on using improved quality to increase revenues in an organization. Organizations today are striving to offer quality services that attract new customers from competitors perceived to offer a lower quality, while trying to retain the existing customers by offering perceived higher qualities than the competitor since the ultimate judgment about quality is rendered by the customer relative to the competitors input.

In an attempt to understand how the quality of a given service is perceived by customers, Gronroos (1978) categorized customer's perception of any service in two dimensions, technical quality, that is, what the consumer receives in the practical outcome of the service delivery process; and the functional quality, how the consumer receives the technical outcome. He concluded that functional quality is generally perceived to be more important than technical quality, suggesting that service quality must include the manner in which it is delivered.

Organizations should thus focus on cost effectiveness and high performance and make every effort to not only do the right things but to do them in the right way. Thus to achieve a desired customer service quality levels, organizations should take care of the functional quality in areas where employees interact with a customer. In these and other areas, an employee should create an impression on

the customer, which will meet or exceed the customers' expectations (Grapentine, 1998).

2.4 Service Quality Measurement Models

There are three areas of debate when it comes to determining the ideal method of measuring service quality, the first one being directly related to the problem of expectations (Robledo, 2001). The three widely used service quality measurement models are:

- i. Disconfirmation models
- ii. Perception models
- iii. Weighted vs. unweighted models

2.4.1 Disconfirmation Models

Disconfirmation models are based on the disconfirmation paradigm (Bolton and Drew, 1991). Quality is therefore defined as the gap between consumers' expectations and perceptions of actual service delivered, ($Q=P-E$), and a customer will perceive quality positively only when the service provider meets or exceeds his expectations (Robledo, 2001).

The most important model developed upon this theory is SERVQUAL (Parasuraman et al, 1985).

Service Quality Dimensions and SERVQUAL

By investigating, retail banking, credit-card, securities brokerage, and product maintenance services, Parasuraman et al (1988), proposed a model, SERVQUAL,

to measure service quality. Using a combination of industry executive interviews and consumer focus groups, service quality was identified as meeting or exceeding consumer expectations of service. This model remains a prominent instrument of service quality measurement for researchers and practitioners (Zeithaml & Bitner, 2000). Thus, in spite of various controversies, their approach still prevails in the field of service quality.

Using a qualitative method (focus groups interviews) Parasuraman et al (1985) initially identified ten determinants of service quality which were; tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication, and understanding customers.

Subsequently, through a quantitative method (customer surveys and subsequent factor analysis), Parasuraman and colleagues (1985, 1988) refined the items used to measure the ten dimensions that had been identified by the qualitative method. They finally reached a five dimension version of SERVQUAL that measured customers' expectations and perceptions. This consisted of a 7-point response format with anchors of "strongly agree" and "strongly disagree." Regardless of type of the service industry involved, Parasuraman found that the determinants of service quality were consistently identified by consumers as falling into the same general categories. In rank order from most to least important, important service characteristics that influence quality were found to be reliability of service; assurances of service; tangible service characteristics; service responsiveness, and service empathy for the consumer. According to the theoretical model, consumer

judgments about levels of service quality received depend on how they perceive actual service performance in light of what was expected.

From various empirical studies, consumers have ranked reliability and tangibles as the two key dimensions consistently in service quality regardless of the service industry. Reliability has been ranked as the most important contributor to service quality and tangibility as the least important (Zeithaml et al 1990).

The SERVQUAL scale is one of the first attempts to operationalize the service quality construct. It has also been one of the most widely used measurements for assessing service quality in marketing, retailing, and many other disciplines (Schneider et al., 2004). In addition, this scale has been adopted to evaluate the specific quality of service in for-profit organizations, as well as in nonprofit organizations: restaurants (Stevens, Knutson, & Patton, 1995); Accounting Firms (Bojanic, 1991); banks, pest control firms, dry cleaners, and fast food restaurants (Cronin & Taylor, 1992); retailing industries (Dabholkar et al, 1996); lodging properties (Knutson et al, 1990); historic houses (Frochot & Hughes, 2000); real estate brokers (Johnson, et al, 1988); information system professionals (Van Dyke et al, 1997; Jiang et al., 2002; Carr, 2002); physicians (Brown & Schwartz, 1989), dental school patient clinics, business school placement centers, tier stores, and acute care hospitals (Carman, 1990); hospitals (Babakus & Mangold, 1989); and libraries (Cook, 2001).

Table 2.1: SERVQUAL Dimensions for Measuring Service Quality

Reliability	Providing the service as promised, at the promised time and doing it right the first time; handling customer problems in a dependable manner and keeping customers informed.
Assurance	Instilling confidence in customers and making them feel safe in their transactions; consistently courteous employees with the knowledge to answer customers' questions.
Tangibility	Modern equipment, visually appealing facilities and materials related to the service, employees with professional appearance, and convenient operating hours.
Responsiveness	Prompt service, willingness to help customers and readiness to respond to customer requests.
Empathy	Employees who deal with customers in a caring fashion and understand their needs; giving customers individual attention and having their best interests at heart.

Source: Schiffman L.G. and Leslie L. Kanuk (2004)

The foregoing service quality model was developed as generic in nature rather than specific to any particular service industry. While the service quality model has been discussed as theoretically applying to various sectors, there appear to be little empirical research efforts that have applied the service quality model

specifically to real estate agency sector. Indeed the bulk of existing research on real estate brokerage practices consist of trade-related or professional journal articles such as those in real estate today and real estate issues that discuss a particular sales technique or industry development. Others contain descriptive statistics of survey response data from salespersons, or homebuyers (Johnson et al, 1988).

The interpretation and role of expectations in determining judgments about quality, as delineated here, has been a controversial theme throughout the literature (Cronin and Taylor, 1992, 1994; Schneider et al., 2004; Teas, 1993). Parasuraman et al (1985) found that participants' judgments of service quality were based upon the "gap" that existed between their perceptions (what happened during the service transaction) and their expectations (how the service transaction should have occurred). Based on this finding, SERVQUAL adopted a Gap-Model Approach for measuring the difference between customer perceptions and expectations. This gap is also discussed on the basis of a disconfirmation paradigm (the extents to which customers' expectations are disconfirmed). Expectations thereby are considered to be disconfirmed positively (better service than expected) or negatively (worse service than expected) (Schneider et al., 2004).

The Gap Model

The major contribution of Parasuraman et al (1985, 1988) was to identify five key discrepancies or gaps that comprised within-company deficiencies (Gaps 1

through 4) and customer-perceived quality deficiencies (Gap 5). Through this gap model they developed a conceptual model of service quality (See Chart 2.1). They regarded the first four gaps as major contributors to the service quality gap (Gap 5) that customers may experience. Gap 5 is thus a key conceptual basis for the SERVQUAL instrument, making the instrument focused upon a customer-oriented definition of service quality. These gaps can be an impediment in attempting to deliver service that consumers perceive as being of high quality while the management may perceive them otherwise. These gaps are shown in Chart 2.1 in dotted lines.

Gap 1: Customers' Expectation versus Management's Perception (The Knowledge Gap)

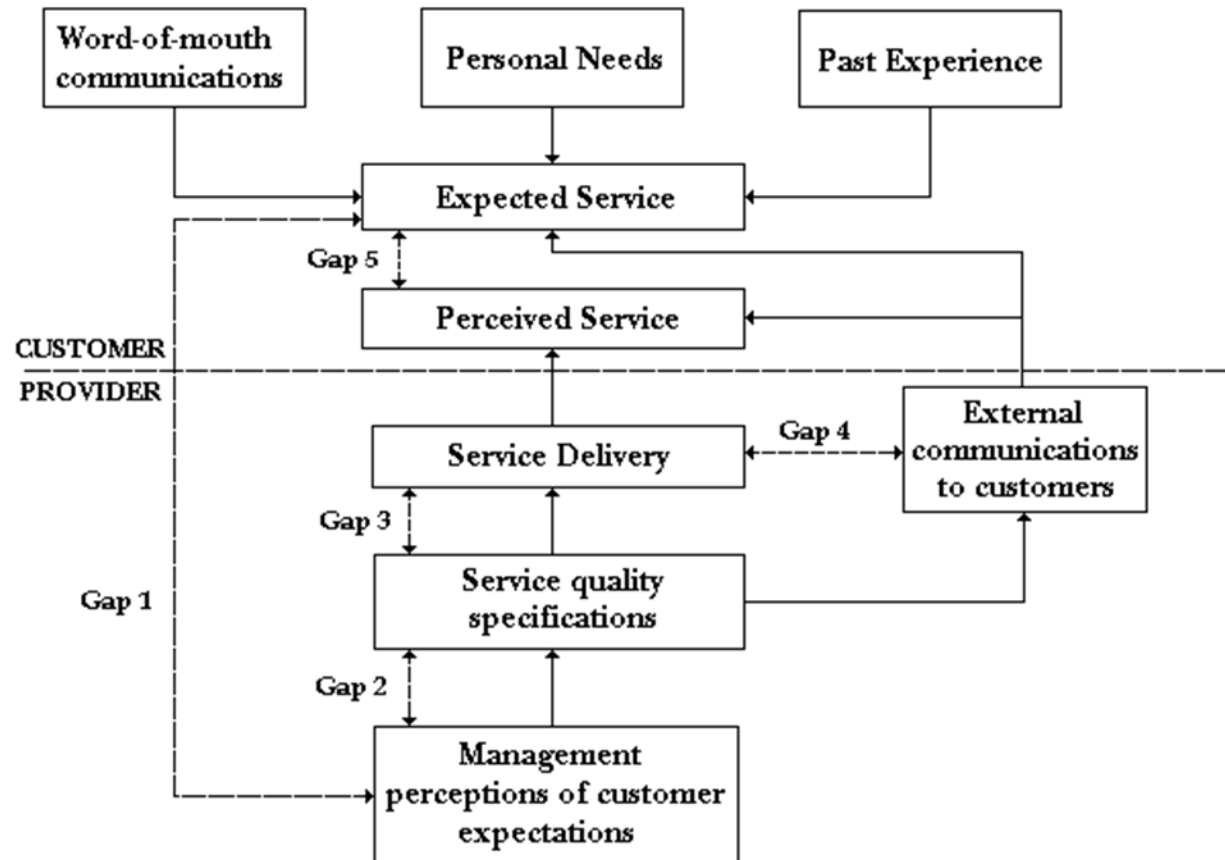
This is the difference between actual customer expectations and management's idea or perception of customer expectations. The difference between what customers expect and what management perceive as their expectation, is often the result of overlooking the need to fully understand customer's expectations (Gachengo, 2004).

Gap 2: Management's Perception of Customers' Expectation versus Service Quality Specifications (The Service Design & Standards Gap)

This is a mismatch between management's expectations of service quality and service quality specifications. The awareness of these relationships can assist

service managers to allocate resources more judiciously and establish more realistic expectations of their customers (Foster, 1972).

Chart 2.1: The Service Quality Gap Model



Source: Kotler Philip (2003)

Gap 3: Service Quality Specifications versus Service Delivery (The Service Performance Gap)

This gap arises when there is a significant discrepancy between designed service and actual delivery of it. The difference between service quality specifications and service delivery arises from role ambiguity that causes conflict in an organization.

Gap 4: Service Delivery versus External Communication (The Communication Gap)

Inadequate horizontal communication and propensity to over-promise customers raises their expectations sometimes to unrealistic level beyond the organization's capacity. When promises do not match delivery, the customer is dissatisfied leading to loss of loyalty in the part of the customer to the organization.

Gap 5: Customers' Expectation versus Perceived Service

The discrepancy between customers' expectation and their perception of the service delivered is as a result of the influences exerted from the customer side and the shortfalls on the part of the service provided. Thus, the customer's expectations are therefore influenced by the extent of personal needs, word of mouth recommendation, past service experiences and external communications (Parasuraman et al, 1985). According to this model, the SERVQUAL Scale as proposed by Parasuraman et al. (1988) is used for measuring this gap.

2.4.2 Perception Models

The second model, mainly resulting from examination and assessments of the gap theory, is based only on perceptions of performance. Cronin and Taylor (1992) were amongst the researchers who leveled maximum attack on the SERVQUAL scale. They questioned the conceptual basis of the SERVQUAL scale and found it confusing with service satisfaction. They, therefore, opined that expectation (E) component of SERVQUAL be discarded and instead performance (P) component alone be used. They proposed what is referred to as the 'SERVPERF' scale.

Besides theoretical arguments, Cronin and Taylor (1992) provided empirical evidence across four industries (namely banks, pest control, dry cleaning, and fast food) to corroborate the superiority of their ‘performance-only’ instrument over disconfirmation-based SERVQUAL scale.

As a result, Cronin and Taylor (1992) proposed an alternative instrument, SERVPERF, which used the 22 questions with respondents’ perception-only scores for measurement of experienced service quality instead of SERVQUAL’s difference-based scores. The SERVPERF surveys are identical to the SERVQUAL, with the exception that the SERVQUAL has 44 items (22 items for expectation of service quality, 22 items for performance of it), the SERVPERF has 22 items solely addressing actual performance. Being a variant of the SERVQUAL scale and containing perceived performance component alone, ‘performance only’ scale is more efficient since it reduces the number of items to be measured by 50 per cent. A higher perceived performance implies higher service quality. Methodologically, the SERVPERF scale represents marked improvement over the SERVQUAL scale.

2.4.3 Weighted Versus Unweighted Models

The discussion is about the convenience of weighting or not weighting the specific criteria by which customers evaluate service quality according to the importance they assign to each of those criteria. Hence, we find weighted models and unweighted models. The initial version of the SERVQUAL instrument simply measures expectations and performance, and does not measure the

importance of the various features (Parasuraman et al, 1988). Carman (1990) however argues that since the importance of each item is quite distinct from the customer's expectations, it is relevant to the assessment of service quality.

Parasuraman et al (1991) later introduced importance weights to the SERVQUAL instrument. Respondents were asked to assign importance weights, out of 100, to descriptions of the five dimensions, these weights then being used to provide weighted average of the overall service quality score. Parasuraman et al (1991) demonstrate the validity of their revised instrument, but say little more than this in relation to the benefits of importance weights. Cronin and Taylor (1992) test the use of importance weights in conjunction with both SERVQUAL and SERVPERF. They adopt a different approach to Parasuraman et al (1991). Respondents are asked to assign an importance score, between one and seven, to each of the 22 items. Following empirical tests, they conclude that this does not add to the predictive power of the instruments, but in fact, reduces it.

Teas (1993a) also conclude that weighted models perform worse than the unweighted versions. Parasuraman et al (1994) argue against individually weighting every item. They believe that using individual importance scores as independent variables in regression analysis is a form of double counting, since the primary purpose of regression analysis is to derive the importance weights. Through the beta coefficients Cronin and Taylor (1994) consider the opposite to be true, seeing the mathematical derivation as being quite distinct from directly asking respondents to state their perceptions of importance. Meanwhile, Cronin

and Taylor (1994) believe that weighting by dimension is dangerous because of the uncertainty over the dimensionality of service quality and because of the intercorrelation between the dimensions.

The purpose of this study is to identify the determinants of service quality in the real estate agency industry, determine whether property buyers' service expectations are congruent with their perceptions of service rendered by estate agents; and whether the determinants and perceptions of service quality perceived by estate agents are consistent with those perceived by property buyers. The study will compare expectations and perceptions in an attempt to identify any shortfalls in service quality and therefore the SERVQUAL model is best suited for the purposes of this current study.

2.5 Application of The SERVQUAL Model in Real Estate Agency

Service Quality is an important element in business and services. It's also important in private sector and public sector as well. Measurement of service quality significantly contributed to various service sectors such as healthcare, marketing, finance, property, hospitality and local authorities (Yusoff and Ismail, 2008).

The real estate agency is usually categorized as a service sector industry. But unlike most other service industries, the real estate agency industry is characterized as being prescriptively customized. That is, there is a high degree of consumer customization because the buyer is continuously involved in and affects the production process. In addition, estate agents are required to exercise a great degree of personal judgment concerning service and delivery characteristics.

Estate agency firms attempt to satisfy their clients for the reason that they will continue to use their service organization and use as referral for their friends through disseminated 'positive words of mouth'. Service Quality is quite important for the success and survival of organizations (Chen, Gupta and Rom, 1994). It also contributes to return of investment and higher profits (Yusoff and Ismail, 2008). While real estate professionals may claim that their customers don't understand the way the business works, it appears that they may fail to understand how the customer works. The real estate business is generally viewed as a referral and repeat customer business. Satisfied customers give referrals and repeat business. It follows that the goal of a successful real estate agent should be a satisfied customer. Agency firms should concentrate on improved service quality based around customers' requirements and include quality concepts at every stage in the planning and delivery of a product or service. This should become a continuous process since property buyers' perceptions of quality are constantly changing and are also determined by the competition. Agency issues aside, the buyer is atleast one half of the equation in a sales transaction, and is probably more likely to be a source of referral and repeat business because the residential buyer is part of the agent's community while the seller may leave the area. Customers are concerned with reliability and satisfaction foremost. Real estate agents should consider how to improve the perception of the quality of their service.

Several conceptual models have been developed by different researchers for measuring service quality. It is envisaged that conceptual models in service

quality enable management to identify quality problems and thus help in planning for the launch of a quality improvement program, thereby improving the efficiency, profitability and overall performance (Seth and Deshmukh, 2005). Some of the most influential models in the service management literature focus on the concept of service quality gap. Service quality gap is defined as the difference between customer expectations and perceptions of service. If expectations are greater than performance, then perceived quality is less than satisfactory and customer dissatisfactions occurs (Parasuraman et al., 1985; Lewis and Mitchell, 1990). In recent years, greater emphasis has been placed on understanding the role of expectations given the fact that consumers' expectation of quality are increasing and people are becoming more discerning and critical of the quality of service that they experience.

The SERVQUAL model was developed to find dimensions that are generic to all types of service. It is adaptable to specific needs with minor wording modifications and the addition of context-specific items. SERVQUAL's high reliability, high internal consistency, scale's trait validity, face validity, and predictive or concurrent validity (Parasuraman et al., 1985, 1988, 1991) account for its extensive use as the premier instrument for service quality assessment. The model attempts to show the salient activities of the service organization that influence the perception of quality. It can therefore be used with minor changes, to establish what attributes of service quality property buyers prefer as well as showing their perceptions of services rendered by estate agents. The model can

also be used to investigate whether estate agents determinants of service quality are the same as those of property buyers. By use of the gap scores afforded by the model, it is possible to determine the level of satisfaction property buyers derive from services rendered by estate agents. Moreover, the model shows the interaction between different activities and identifies the linkages between the key activities of the service organization which are pertinent to the delivery of a satisfactory level of service quality. The links are described as gaps or discrepancies: that is to say, a gap represents a significant hurdle to achieving a satisfactory level of service quality (Ghobadian et al., 1994).

Despite its apparent importance, the model has been previously criticized. Potential problems such as poor statistical properties and restricted variance have been presented in a number of studies (Babakus & Boller, 1992; Bolton & Drew, 1991; Brown, et al, 1993; Carman, 1990; Cronin & Taylor, 1992, 1994; Van Dyke et al., 1997). Carman (1990) insisted that SERVQUAL demonstrated instability of item factor relationships and of the measurement of expectations. Barbakus and Boller (1992) had quite opposite findings, stating that the SERVQUAL items in actuality represented only one factor, rather than five. They demonstrated a validity problem related to use of the five dimensional measures and also a problem due to negative wording in survey questions.

Brown et al, (1993) identified three psychometric problems: reliability, discriminant validity, and variance restriction problems. They argued that, although SERVQUAL had high reliability, its reliability was below that of a non-

difference score measure of service quality. Moreover, not only did SERVQUAL fail to achieve discriminant validity from its components, but the perceptions component by itself performed as well as the difference score on a number of criteria. SERVQUAL also exhibited variance restriction effects and the distribution of SERVQUAL scores was non-normal. They concluded that the non-difference score measure (i.e., performance-only score measure) had better psychometric properties than SERVQUAL.

As Schneider et al (2004) also indicate, “perceptions-only measures are superior” in terms of predictive power. Parasuraman et al, (1994b) concluded: If maximizing predictive power is the principal objective, the perceptions-only scale is the best as it outperforms all other measures on this criterion. However, if identifying critical service shortfalls is the principal objective, the three-column format questionnaire seems most useful; and, this format also provides separate perceptions ratings for those concerned with maximizing predictive power. In other words, eventually, they underscored that the research questions should dictate which type of instrument should be used within this field of study. When one is interested in identifying the areas of a firm’s service quality shortfalls for managerial interventions, which this study is all about, one should prefer the SERVQUAL scale because of its superior diagnostic power. The SERVQUAL model is therefore better suited to measure property buyers’ satisfaction with services rendered by estate agents.

2.6 Estate Agency

This is a legal relationship created when an individual, the principal, or the employer, delegates to another, the agent, the right to act on behalf of the principal in a business transaction of whatever nature including leasing of office space or selling of land. Agency is a two-party relationship in which one party (the agent) is authorized to act on behalf of and under the control of, the other party (the principal). Or where one represents another (as being employed by him) for the purpose of bringing him into legal relations with a third person (Gail and Donald 1988).

An estate agent is any person who sells property owned by others, or advertises that he buys and sells or lets and hires immovable property, an interest in immovable property or a business undertaking on behalf of or on the instruction of someone else for gain. They may also rent and manage properties for a fee.

2.6.1 Formation of the Principal-Agent Relationship

An estate agency contract is established between an estate agent and a client when the estate agent accepts a mandate from a client or renders a particular estate agency service for him. Having a mandate is important, because an estate agent cannot legally claim commission from someone unless he can show that that person had in fact given him a mandate to act for him (Edith, 2006). Essentially no estate agent may sell or let a property belonging to someone else unless he has been given a mandate to do so. Although agency law lets people multiply their dealings by engaging agents, a principal should not be liable for any deal his agents concludes. Thus, agency law normally lets an agent bind his principal only

when the agent has authority to do so. According to Fridman (1996), the relationship between an estate agent and a principal can be created in five ways:

- i. Express authority- This is created by the principal's actual words (whether written or oral)
- ii. Implied authority- An agent has implied authority to do whatever is reasonable to assume that the principal wanted him to do, given the principal's express statements and the surrounding circumstances.
- iii. Estoppel or apparent authority- This arises when the principal's behavior causes a third party to form a reasonable belief that the agent is authorized to act in a certain way.
- iv. Ratification- This occurs when an agent has no authority from principal but purports to conclude contract on principal's behalf. The principal may ratify the agent's contract, thereby adopting it and binding himself.
- v. Necessity- In certain circumstances the law confers authority on one person to act as an agent for another without any regard to the consent of the principal.

2.6.2 Termination of the Agency Relationship

Fridman (1996) further states that, an agency contract termination falls under two general headings;

- a) Termination by the act of the parties
- b) Termination by operation of the law

a) Termination by the Act of the Parties

This termination occurs:

- At a time or upon the happening of an event stated in the agreement. If no such event is stated, the agency terminates after a reasonable time.
- When specified result has been accomplished, if the agency was created to accomplish a specified result.
- By mutual agreement of the parties, at any time.
- At the option of either party, this is called revocation when done by the principal and renunciation when done by the agent.

b) Termination by Operation of the Law

This can be terminated by the following:

- The death of the principal: this normally is true even where the agent has no notice of the principal's death
- The death of the agent
- The principal's permanent loss of capacity.
- The agent's loss of capacity to perform the agency business.
- Changes in the value of the agency property or subject matter (e.g. a significance decline in the value of land to be sold by the agent).

- Changes in business conditions (e.g. much lower supply and much increased price for goods to be purchased by an agent)
- The loss or destruction of the agency property or subject matter or the termination of the principal's interests therein
- Changes in the law that make agency business illegal
- The principal's bankruptcy
- The agent's bankruptcy
- A serious breach of the agent's duty of loyalty
- The outbreak of war

2.6.3 Law Relating to Estate Agency in Kenya

In Kenya, the practice of estate agency is governed by the Estate Agents Act, Cap 533 of 1985. The Act provides for the registration of persons who by way of business negotiate or otherwise act in relation to selling, purchasing or letting land and building erected thereon; and for the regulation and control of the professional conduct of such persons and for connected purposes.

The Act establishes the Estate Agents Registration Board which is charged with the responsibility of registering estate agents and of ensuring that the competence and conduct of practicing estate agents are of a standard sufficiently high to ensure the protection of the public, and for that purpose may exercise the powers

conferred, and shall perform the duties imposed, upon the Board by the provisions of the Act.

According to the Act, to "practice as an estate agent" means the doing, in connection with the selling, mortgaging, charging, letting or management of immovable property or of any house, shop or other building forming part thereof, of any of the following acts;

- a) Bringing together, or taking steps to bring together, a prospective vendor, lessor or lender and a prospective purchaser, lessee or borrower; or
- b) Negotiating the terms of sale, mortgage, charge or letting as an intermediary between or on behalf of either of the principals.

For the purposes of the Act, a person shall be treated as being a practicing estate agent if he or a partnership of which he is a member;

- (a) Receives payment for acts done by way of practice as an estate agent by him, or by a partner of his, or by an employee of his or of the partnership or by any person acting on his behalf; or
- (b) Holds himself or itself out as being prepared, in return for payment, to undertake the doing by any such person of acts by way of practice as an estate agent.

Nobody is allowed to practice as an estate agent unless there is in force in relation to his practice an indemnity bond or policy of insurance entered into or issued by an insurance company approved by the Registration Board, so as to guarantee

compensation, up to the required limit, to persons suffering monetary or other property loss through the dishonest or professional misconduct of the person so practicing. An inquiry into any act or omission contrary to public interest or the professional misconduct of a registered estate agent may be instituted by the Registration Board either on its own initiative or upon receipt of a written complaint addressed to the Board by or on behalf of any other person alleging such act, omission or professional misconduct against the estate agent.

2.7 Service Quality in Real Estate Agency

Despite growing importance of the service sector in our economy and substantive differences between the selling of products versus services, the marketing literature historically has been product oriented in its presentation of marketing strategies. Only since the late 1970s have marketing practitioners and academicians identified the need to differentiate a marketing model unique to service rather than product quality. Several studies have underscored the need to expand marketing's conceptual boundaries from a framework that accommodates tangible products components into a more versatile model that accommodates intangible service components as well (Johnson, 1988). Unique characteristics of service sector industries differentiate them from product oriented industries and compound the difficulty of defining service quality. This service characteristics have been neatly categorized by Zeithaml et al., (1990) as heterogeneity or non-standardized levels of service performance; inseparability of production and consumption due to continuous consumer interaction with delivery of service; intangibility due to the nature of services versus product performance; and

perishability associated with inability to inventory services when demand fluctuates.

The real estate agency market in Kenya is regulated by the Estate Agents Act (Cap 533) which is an Act of Parliament to provide for the registration of persons who, by way of business, negotiate for or otherwise act in relation to the selling, purchasing or letting of land and buildings erected thereon; for the regulation and control of the professional conduct of such persons under the supervision of The Institution of Surveyors of Kenya (ISK).

By virtue of the Act, registered estate agents are statutorily empowered to act as estate agents in the sale, purchase or in the leasing of property or any interest therein. However, the real estate agency market in Kenya has recently seen other professionals and even people without formal training in any related discipline expanding their core business and starting to offer real estate related services. It is no longer given that one must use the services of a real estate agent, in search of land or landed property. This may be as a result of demand for real estate which has significantly increased over the years. Sessional Paper No. 3 on National Housing Policy for Kenya (2004) puts annual urban housing demand at an estimated 150,000 units, but only an estimated annual average supply of 30,000-50,000 units is produced. Past studies elsewhere have also shown that real estate practice is not meeting the needs of the parties involved in real estate purchase and sales transactions (Guntermann and Smith, 1988; Haag et al., 2000). The perceptions and expectations of buyers and sellers are often at variance with the actual performance of the real estate agents. Perceptions of what constitutes

service quality may differ between consumers and service providers (Marsh and Zumpano, 1988).

Previous studies have investigated the determinants of service quality (for example, Parasuraman et al., 1991; Yi, 1990; Dabholkar et al., 2000; Mason et al., 2004; Vanniarajan and Stephen 2008; Nguyen and Nguyen, 2007; Geetika, 2010) but there is little that address the specific issues facing real estate agency in respect of service quality. However, real estate agency market in Kenya is yet to specifically define its consumers' requirements in order to determine the basis of consumer satisfaction and retention. In the words of Parasuraman, et al. (1985), services have become more and more important factor for organizations. Most service providers' depends on performing the services correctly but others find services as an important means of differentiation and creating better customer satisfaction. The problem facing many real estate agents is how to meet their client's taste, retain them and be able to gain competitive advantage over others. There is need to know what the consumers actually value so as to meet their needs and probably retain them. The study by McDaniel and Louargand (1994) revealed that all services must respond to consumer expectation because consumers' perception of quality is an important part of the consumption decision. Therefore, the customer must never feel ignored, unimportant or abandoned in service delivery. Stewart (2008) noted that the most valuable, and often the most neglected approach towards getting "the edge" over competitors is developing a better understanding of the perspective of the concerned consumer and devising

strategies to increase their service quality. This will give the consumer satisfaction and also encourage repeat business.

Crew (1999) researched into consumer perception of the service offered by real estate agents in Real Estate Institute of New Zealand. His findings confirmed that buyers continue to choose a real estate firm because the firm had the services, people or product (home) that they wanted. His findings also reflected mixed results in terms of consumer satisfaction levels. Sridhar (2001) observed that service quality is ultimately defined by customer irrespective of organization internal quality specification. However, there is problem of different levels of expectation, incorrect interpretations of expectations, delivery of inappropriate service and failure to match expectations with performed service. To ensure better service quality, providers should promise what can be delivered, attend to complaints from dissatisfied customers and make services easily understood.

According to Susan (2002), communication plays a vital role in ensuring success in real estate agency. In the words of Narayanan et al. (2003), communication plays a major role in influencing consumer purchases in new product or services. It plays both informative and a persuasive role over the life cycle of goods and services. Frequent communicating with customers enables one to deliver message to them so that they will react to it. Consumers are affected by the communication a firm has with them. This communication adds to the firm's value in the mind of the consumer and builds on their cognitive and emotional ties to the firm.

Frequent communication should therefore be integrated into customer service process. Thomas and Whitney-Thomas (1996) identified communication breakdowns as the greatest barrier to a positive working relationship. They agreed that the more involved and assertive the consumer, the better the services.

From the foregoing, it could be deduced that there are some factors that bring consumers' satisfaction. The providers' understanding of these factors and their ability to provide same will lead to improved service delivery, enhance consumers' satisfaction and encourage repeat businesses.

2.8 Summary

This chapter has reviewed literature on service, characteristics of service including the unique characteristics of service sector industries that differentiate them from product oriented industries i.e. heterogeneity or non-standardized levels of service performance, inseparability of production and consumption due to continuous consumer interaction with delivery of service, intangibility due to the nature of services and perishability associated with the inability to inventory services when demand fluctuates. It has also dealt with service quality and perceived service quality, compared customer satisfaction and service quality as well as enumerating service quality dimensions which includes; tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication, and understanding customers. These were later condensed to five major dimensions; reliability, responsiveness, assurance, empathy and tangibility.

The chapter has also explored the three service quality measurement models; the SERVQUAL, SERVPERF and the Unweighted vs. Weighted models and found that the first two are mostly used with the SERVQUAL model being the one widely used in the field of service quality. Finally, the chapter has delved into estate agency and service quality in real estate agency and found that though a service sector industry, real estate agency differs in many respects from other sectors in that it is prescriptively customized and estate agents are required to exercise a great degree of personal judgment concerning service and delivery characteristics.

The above forms the basis of the research methodology and questionnaires as the research seeks to establish what really determines service quality in real estate agency industry. This study will therefore collect primary data to assess how property buyers in Nairobi perceive the services offered by real estate agents. The following chapter describes how the study will be conducted so as to satisfy the research objectives.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter outlines the research methodology used in collecting, analyzing and presenting data. It deals with the description of the research design, the study area, study population, instruments of data collection, procedure of data collection and data analysis. Data collection is used to test the study hypotheses as well as to fulfill the objectives of the study.

3.1 Research Design

Kothari (2004) citing Selltiz, et al. (1962) defines research design as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. It is the conceptual structure in which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data.

Research design can be classified by the approach used to gather primary data into two broad categories: observation and communication approaches.

Observation includes the full range of monitoring behavioral and non-behavioral activities and conditions such as listening, reading, visual data collection, smelling and touching. In other words, information is sought by way of the investigator's own direct observation without asking from the respondent (Ibid).

According to Cooper and Schindler (2003), the communication approach involves surveying people and recording their responses for analysis. It is the most reliable method of learning about opinions, attitudes, motivations, intentions and expectations. These attributes can be effectively harnessed using the questionnaire, being the most effective instrument for collecting survey data. The communication approach is the most effective method for collecting survey data for this study. The approach is also an effective method for eliciting issues that are exclusively internal to the respondent, as the most qualified person to provide such information (Cooper and Schindler, 2003).

3.2 Population of the Study

The focus groups for this research study are both estate agents and real estate property buyers. According to the Kenya Gazette vol. CXIII-No. 35 of 15th April, 2011, Gazette Notice No. 4213 on Registered Estate Agents, there are 273 estate agents authorized to practice as estate agents for the current year. Out of this 273, 215 are in Nairobi, representing 79% of the entire number. These 215 registered estate agents practicing in Nairobi forms the population for the estate agents under study. From each real estate agency firm sampled, two (2) property buyers will be purposively selected on the basis of the number of times they have employed the services of their agents, their literacy level and experience in real estate related services.

3.3 Sampling Plan

To be able to obtain a reasonable sample size for administering questionnaires, random sampling was used.

A confidence level of 95% of the target population was assumed and that the response achieved from the sample would be within -ve 5 or +ve 5 of the true state of the population targeted.

The sample size was calculated using the formula:

$$n = \frac{Z^2 pqN}{e^2 (N-1) + Z^2 pq}$$

(Chava and Nachmias, 1996)

Where:

N = Population size

n = Sample size

p = Sample population estimated to have characteristics being measured. Assume a 95% confidence level of the target population

q = 1-p

e = Acceptable error (e = 0.05, since the estimated should be 5% of the true value).

Z = The standard normal deviate at the required confidence level = 1.96

$$n = \frac{1.96^2 \times 0.95 \times (1-0.95) \times 215}{0.05^2 \times (215-1) + 1.96^2 \times 0.95 \times (1-0.95)} \quad n = 55 \text{ estate agents}$$

According to Arleck and Settle (1995), it is seldom necessary to sample more than 10% of the population provided that the resulting sample is not less than 30 and not more than 1000 units.

As Mugenda (2003), puts it, stratification of a sample can either be random or proportionally apportioned to the various strata. For this study, the researcher used random method and proportionally apportioned each of the 55 randomly selected estate agents two (2) consumers of his/her services (property buyers). Hence the total sample for this study is 165.

3.4 Data Collection Methods

3.4.1 Questionnaires

Data was collected using a semi-structured questionnaire based on the SERVQUAL model containing both closed and open-ended statements and questions. It also used rating scales which measure intangible attributes like perceptions, attitudes, values and behaviors relevant to the study. Rating scales also make it possible to use quantitative data analysis in case of qualitative factors.

Two questionnaires were used; one for the service providers (estate agents) and the other for service consumers (property buyers). A ‘drop and pick later’ was used to collect the data. The questionnaires were based on the Likert rating scale format.

Likert Scale

A Likert scale is a psychometric scale commonly used in questionnaires and is the most widely used scale in survey research such that the term is often used interchangeably with rating scale even though the two are not synonymous. Various kinds of rating scales have been developed to measure attitudes directly (i.e. the person knows their attitude is being studied). The most widely used is the Likert Scale. Named after its developer, Rensis Likert, the Likert scale is one of the most widely used itemized scales. Likert (1932) developed the principle of measuring attitudes by asking people to respond to a series of statements about a topic, in terms of the extent to which they agree with them, and so tapping into the cognitive and affective components of attitudes. Likert-type or frequency scales use fixed choice response formats and are designed to measure attitudes or opinions (Bowling 1997, Burns & Grove 1997). These ordinal scales measure levels of agreement/disagreement. A Likert-type scale assumes that the strength/intensity of experience is linear, i.e. on a continuum from strongly agree to strongly disagree, and makes the assumption that attitudes can be measured. Respondents may be offered a choice of five to seven or even nine pre-coded responses with the neutral point being neither agree nor disagree. The end-points of a Likert scale are typically “strongly disagree” and “strongly agree.” The respondents are asked to indicate their degree of agreement by checking one of five/seven response categories.

The Likert scale has several advantages. It does not expect a simple yes/no answer from the respondent, but rather allow for degrees of opinion, and even no opinion

at all. Therefore quantitative data is obtained, which means that the data can be analyzed with relative ease. It is easy for the researcher to construct and administer this scale, and it is easy for the respondent to understand. Therefore, it is suitable for mail, telephone, personal, or electronic interviews. Several variants of the Likert scale are commonly used that vary the number of scale points (for example, 7 or 9 points) as well as the descriptors (for example, importance, familiarity etc.) and other characteristics.

However, like all surveys, the validity of Likert Scale attitude measurement can be compromised due the social desirability. This means that individuals may lie to put themselves in a positive light. Offering anonymity on self-administered questionnaires should further reduce social pressure, and thus may likewise reduce social desirability bias. Paulhus (1984) found that more desirable personality characteristics were reported when people were asked to write their names, addresses and telephone numbers on their questionnaire than when they were told not to put identifying information on the questionnaire. The major disadvantage of the Likert scale is that it takes longer to complete than other itemized rating scales. Respondents have to read the entire statement rather than a short phrase.

Two conflicting considerations are involved in deciding the number of scale categories. The greater the number of scale categories, the finer the discrimination among stimulus objects that is possible. This study has used a 7-point scale since the SERVQUAL questionnaire adopted here is based on the same number. Traditional guidelines suggest that the appropriate number of categories should be

seven plus or minus two: between five and nine. Yet, there is no single optimal number of categories.

The SERVQUAL Questionnaire

The SERVQUAL questionnaire is a 22-item, five-dimension questionnaire consisting of a 7-point response format that measures customers' expectations and perceptions with anchors of "strongly agree" and "strongly disagree."

It consists of two sections:

1. An *expectations section* containing 22 statements to ascertain general customer expectations concerning a service (shown above), and
2. A *perceptions section* containing a matching set of 22 statements to measure customers' assessments of a specific firm (Zeithaml, et al., 1990).

In each set, the first four questions measure tangible service characteristics, the next five measure service reliability, the next four measure responsiveness, the next four deal with assurance while the last five measure service empathy.

Table 3.1: The SERVQUAL Questionnaire

Tangibles							
1. Availability of modern looking equipment	1	2	3	4	5	6	7
2. The physical facilities should be visually appealing	1	2	3	4	5	6	7
3. Personnel should be neat in appearance	1	2	3	4	5	6	7
4. Materials associated with the service (Such as pamphlets or statements) should be visually appealing.	1	2	3	4	5	6	7
Reliability							
5. When the firm/company promise to do something by a certain time it will do so.	1	2	3	4	5	6	7
6. When a property buyer has a problem, The company should show a sincere interest in solving it.	1	2	3	4	5	6	7
7. The firm should get things right the first time.	1	2	3	4	5	6	7
8. Firms/companies should provide their services at the time they promise to do so.	1	2	3	4	5	6	7
9. Excellent firms/companies will insist on error-free records.	1	2	3	4	5	6	7

Responsiveness

- | | | | | | | | |
|---|---|---|---|---|---|---|---|
| 10. Personnel should tell property
buyer exactly when services will
be performed. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 11. Personnel should
give prompt service to clients. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 12. Personnel must
always be willing to help. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 13. Personnel should not be too
busy to respond to clients' requests. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Assurance

- | | | | | | | | |
|--|---|---|---|---|---|---|---|
| 14. The behaviour of personnel must
instil confidence in clients. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 15. Clients of the firm should feel safe in
their dealings with the firm. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 16. Personnel should be consistently
courteous with clients. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 17. Personnel should have the knowledge
to answer clients' questions. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Empathy

18. Firms/companies should give clients individual attention.	1	2	3	4	5	6	7
19. Firms/companies should have operating hours convenient to all their clients.	1	2	3	4	5	6	7
20. Firms/companies will have staff who give clients personal attention.	1	2	3	4	5	6	7
21. Excellent firms/companies should have the client's best interests at heart.	1	2	3	4	5	6	7
22. The personnel must understand the specific needs of their clients.	1	2	3	4	5	6	7

Source: Adapted from Parasuraman et al., 1990

In particular, the expectations section is built on customers' normative judgment of an "ideal company that delivers excellent quality of service" (Rust & Oliver, 1994). This is thought to be customers' benchmark for "comparison to excellence in service" (i.e., how an excellent organization should perform, rather than how a real organization will perform).

As seen above, the SERVQUAL instrument relies not only on the psychometric aspects of service, but also on a disconfirmation model that assumes that perceptions of quality stem from comparisons between customer expectations and actual service performance.

Hence, the quality score for each respondent is the sum of the difference between expected and perceived scores. Gap (difference) scores for each survey item become the basis for detailed factor analyses (Parasuraman, et al., 1994a, 1994b; Zeithaml, et al., 1993).

3.4.2 Interviews

Direct interviews with key respondents were also conducted to reinforce the data collected by the questionnaires and obtain clarity where necessary.

3.5 Data Analysis

Data analysis was conducted using descriptive statistics to generate frequencies, proportions, tables and charts that involved measures of central tendency, measures of spread and graphical methods. Cross tabulation was used to compress several variables that are related. This analysis enabled the researcher to meaningfully describe the distribution of scores or measurements of variables in the study.

Cross Tabulation Technique is a statistical technique that establishes an interdependent relationship between tables of values, but does not identify a cause/relationship between the values; also called two-way tabulation. The data analyzed by this technique include:

- Comparison between the emphasis of quality dimensions considered by estate agents and those preferred by property buyers.

- The collective score for each dimension and the degree to which consumers agree with it so as to represent the quality in service provision. This will be reported as an average of the total scores recorded across the five SERVQUAL dimensions plus value.
- Any indicators present for particular difference of viewpoint between distinct segments of the group of respondents.
- Ranking of the priorities per dimension.

For purposes of analysis, the simple disconfirmation model as originally elucidated by Parasuraman et al (1985) was adopted. This model looks at perceived service quality (Q) as being the difference between perceived service (P) and expected service (E) i.e. $Q=P-E$.

When analyzing data using SERVQUAL scale, the following two major steps were followed;

Step 1: Using the SERVQUAL instrument, the score for each of the 22 expectation questions were first obtained. Next, scores for each of the perception questions were then obtained. Gap Scores for each of the statements (Gap Score = Perception – Expectation) were then calculated.

Step 2: Average Gap Score for each dimension was obtained by assessing the Gap Scores for each of the statements that constitute the dimension and dividing the sum by the number of statements making up the dimension.

CHAPTER FOUR

RESEARCH FINDINGS AND ANALYSIS

4.0 Introduction

This study sought to identify the determinants of service quality in the real estate agency industry, determine whether property buyers' service expectations are congruent with their perceptions of service rendered by estate agents; and determine whether the determinants and perceptions of service quality perceived by estate agents are consistent with those perceived by the buyers.

A total of 165 questionnaires were administered but only 113 were collected and analyzed, 39 from estate agents and 74 from property buyers, representing a 68% response rate. Some of the uncollected questionnaires were left with the respondents to fill but were never returned. Some respondents were unavailable during questionnaire collection while others returned theirs unfilled. The following data analysis and presentation is therefore based on the questionnaires received, oral interviews and secondary data collected during the research period.

4.1 Characteristics of Participants

The characteristics of respondents who participated in the study are shown in Table 4.1. For the purpose of this study, the respondents comprise of property buyers and estate agents. They consist of 62.8% male and 37.2% female.

Table 4.1: Characteristics of Participants

Variable		Frequency	Percentage (%)
Gender	Male	71	62.8
	Female	42	37.2
Nationality	Kenyan	102	90.3
	Non-Kenyan	11	9.7
Age	Below 30 years	16	14.2
	31-50 years	68	60.2
	Above 51 years	29	25.6
Estate agents years of practice	Below 5 years	9	23.1
	5-10 years	18	46.2
	Above 11 years	12	30.7
Property buyers frequency of property purchase	Below 5 times	52	70.3
	6-10 times	18	24.3
	Above 10 times	4	5.4
Property buyers employment status	Unemployed	0	0
	Self-employed	28	37.9
	Employed (government/NGOs/Institutional)	22	29.7
	Employed (private sector)	24	32.4

Source: Field Survey, 2012

Majority of them are between the ages of 31–50 years old and 90.3% are Kenyans with 9.7% of them being foreigners. 23.1% of estate agents have been practicing for less than five years, 46.2% for between five and ten years and 30.7% for more than eleven years.

Majority of the property buyers interviewed, 70%, have bought properties less than five times with only 5.4% having bought more than ten times. Most of these property buyers are employed either in the private sector, civil service or NGOs. From this information therefore, it can be deduced that the respondents are qualified for this research and can be relied on to give credible information.

4.2 Determinants of Service Quality

According to the SERVQUAL instrument used in this study, determinants of service quality are;

- i. Reliability of service,
- ii. Service responsiveness,
- iii. Service assurances,
- iv. Service empathy, and
- v. Tangible service characteristics.

i. Service Reliability

Service reliability involves the provision of service as promised, at the promised time and doing it right the first time; handling customer problems in a dependable manner and keeping customers informed. Ideal service attributes captured by this factor include professional sales qualifications, ability to get the best deal, and reputation of the firm.

ii. Service Responsiveness

Service responsiveness includes willingness to help homebuyers by providing prompt service. Factor attributes therefore are prompt service, willingness to help customers and readiness to respond to customer requests; timeliness of service: mailing transactions immediately, setting up appointments quickly, amount of agent's contact time, interest, attempts to learn homebuyer needs, and number of contacts made by the agent.

iii. Service Assurance

Service assurance on the other hand includes knowledge and courtesy to property buyers as well as frequent communication. It involves instilling confidence in customers and making them feel safe in their transactions; having consistently courteous employees with the knowledge to answer customers' questions, competence (possession of the required skills and knowledge to perform the service), courtesy (consideration for the customer's property, clean and neat appearance of public contact personnel), trustworthiness, and security (safety and confidentiality). The attributes contained within this factor are agent's closing involvement, willingness to recommend others, effort, and interest.

iv. Service Empathy

Service empathy involves the provision of caring, individualized attention to customers: informing the customers in a language they can understand, understanding customer's specific needs, and having their best interests at heart.

Attributes contained within this group are; commission rate, ease of office access, agent's friendliness and sales follow-up.

v. Tangible Service Characteristics

Lastly, tangible service characteristics includes the possession of modern equipment such as computers, visually appealing facilities and materials related to the service, employees with professional appearance, convenient operating hours and communication materials. Service attributes contained in the this factor are; size of the firm, amount of advertising, number of listings, type and extent of advertising, multiple listing service, location of listings, selection of listings offered, and price range of listings.

Regardless of type of the service industry involved, Parasuraman found that the determinants of service quality were consistently identified by consumers as falling into the same general categories, as discussed above, but with different rank orders.

4.2.1 Ranking Service Quality Determinants in Real Estate Agency

The SERVQUAL questionnaire has two sets of 22 questions, one measuring expectations and the other measuring perception. In each set, the first four questions measure tangible service characteristics, the next five measure service reliability, the next four measure responsiveness, the next four deal with assurance while the last five measure service empathy.

During data analysis, the total scores from the rating scale for each service attribute, for each respondent, were calculated. Averages for each attribute and respondent were then obtained. These individual average scores were then used to derive the attribute average scores for the entire sample. The average scores for each service attribute are shown in the table below.

Table 4.2: Determinants of Service Quality

Attribute		Frequency							Average Score
		1	2	3	4	5	6	7	
	Tangibles								
1	Availability of modern looking equipment			5	12	31	24	2	5.0811
2	The physical facilities should be visually appealing		3	6	8	11	29	17	5.4595
3	Personnel should be neat in appearance		2	8	3	41	12	8	5.0405
4	Materials associated with the service should be visually appealing.	4	5			6	46	13	5.5541
Average Dimension Score									5.2838
	Reliability								
5	When the firm/company promise to do something by a certain time it will do so.				6	29	21	18	5.6892
6	When a property buyer has a problem, The company should show a sincere interest in solving it.			12	14	31	5	12	4.8784
7	The firm should get things right the first time.	2			27	28	6	11	4.9054
8	Firms/companies should provide their services at the time they promise to do so.			2	1	36	9	26	5.7568
9	Excellent firms/companies will insist on error-free records.		2		39	2	23	8	4.9189
Average Dimension Score									5.2297

	Responsiveness								
10	Personnel should tell property buyer exactly when services will be performed.			5	26	29	11	3	4.7432
11	Personnel should give prompt service to clients.			2	12	36	16	8	5.2162
12	Personnel must always be willing to help.				14	17	29	14	5.5811
13	Personnel should not be too busy to respond to clients' requests.				5	22	25	22	5.8649
	Average Dimension Score								5.3514
	Assurance								
14	The behaviour of personnel must instil confidence in clients.	2		4	11	21	17	19	5.3784
15	Clients of the firm should feel safe in their dealings with the firm.		1	2	6	23	24	18	5.6351
16	Personnel should be consistently courteous with clients.			3	9	21	14	27	5.7162
17	Personnel should have the knowledge to answer clients' questions.		1	3	2	21	23	24	5.8108
	Average Dimension Score								5.6351
	Empathy								
18	Firms/companies should give clients individual attention.	3	1		16	29	20	5	4.9865
19	Firms/companies should have operating hours convenient to all their clients.		2	11	14	24	16	7	4.8378
20	Firms/companies will have staffs who give clients personal attention.	2		8	13	19	24	8	5.0405
21	Excellent firms/companies should have the client's best interests at heart.			4	6	31	17	16	5.4730
22	The personnel must understand the specific needs of their clients.		6	7	10	21	19	11	4.9865
	Average Dimension Score								5.0648

Source: Field Survey, 2012

From the above table, the determinants of service quality as identified by factor analysis of property buyers' expectations in rank order from the first are; service assurances with a score of 5.6351, service responsiveness with 5.3514, tangible service characteristics with 5.2838, reliability of service with 5.2297, and lastly service empathy with a score of 5.0648.

Table 4.3: Ranking Service Quality Determinants

Determinant	Average Dimension score
Service assurances	5.6351
Service responsiveness	5.3514
Tangible service characteristics	5.2838
Reliability of service	5.2297
Service empathy	5.0648

Source: Field Survey, 2012

4.3 Comparison of Real Estate Service Quality Determinants with the Generic Service Quality Determinants

While real estate service determinants contained in Table 4.2 generally match those of the generic model, rank order of the determinants differs. Parasuraman et al., (1990) found rank order of the generic set of service quality determinants to be uniformly consistent across retail banking, securities brokerage, credit card, and product maintenance service industries. Service quality determinants in the real estate agency do not conform to the rank order of behavioral dimensions contained in the generic model.

Table 4.4: Comparison of Real Estate Service Quality Determinants with the Generic Service Quality Determinants

Real estate service quality determinants	Generic service quality determinants
<ol style="list-style-type: none"> 1. Service assurances 2. Service responsiveness 3. Tangible service characteristics 4. Reliability of service 5. Service empathy 	<ol style="list-style-type: none"> 1. Reliability of service 2. Service assurances 3. Tangible service characteristics 4. Service responsiveness 5. Service empathy

Source: Field Survey, 2012

Service assurances and responsiveness are ranked first in importance as determinants of service quality by real estate property buyers, but second and fourth in the generic model. This implies that real estate property buyers consider these two service attributes relatively more important than do consumers in other service industries. Buyers may consider assurances and responsiveness of service as relatively more important due to the infrequency of the individual property purchases and consumer lack of technical and legal knowledge about a purchase transaction. Real estate transactions involve expenditure of huge sums of money and therefore a buyer needs assurance and convincing before investing. Because selection of a property is largely an emotional decision surrounded by uncertainty, positive assurances and agent’s reinforcement may be more desirable for real estate than other purchase transactions.

Comparison of tangible attribute factors indicates that property buyers place approximately the same level of importance to this category as do consumers in other service industries.

The most significant change in the comparison between the two groups is that reliability of service is ranked fourth by buyers as a determinant of quality, but first as a determinant in the generic model. This difference in perspective is possibly caused by the substantial interactive role that real estate buyers have with agents in a purchase transaction. But because the decision to buy ultimately belongs to the consumer, buyers are not as dependent on agent's reliability to close the deal. Further, most real estate transactions go through lawyers who offer buyers legal advice and assurance of safety of the investment and therefore agent's reliability is not given much weight.

Property buyers and generic groups both rank service empathy fifth in priority, which implies that both groups have similar expectations regarding relative importance of empathy as a service quality attribute.

The generic service quality model developed by Parasuraman, et al., (1990) appears to be robust and easily applicable to other service industries. The foregoing comparison between real estate and generic service quality factors shows that determinants in both groups are virtually identical in content, but differ in rank order of relative importance. Real estate quality determinants of service assurances and responsiveness are ranked much higher and service reliability much lower by property buyers than by other service industry consumers.

4.4 Service Quality Delivery in the Real Estate Agency Sector

To evaluate the performance of agents in delivering quality service, property buyers perceptions of actual service quality received from real estate agents are compared to their expectations of service quality.

For purposes of analysis, the simple disconfirmation model as originally elucidated by Parasuraman et al (1985) was adopted. This model looks at perceived service quality (Q) as being the difference between perceived service (P) and expected service (E) i.e. $Q=P-E$. Content of expected versus perceived questions contained in the questionnaires were intentionally designed to be similar so that factors from the two question groups could be identified and compared by rank order of importance.

When analyzing data using SERVQUAL scale, the following two major steps were followed;

Step 1: Using the SERVQUAL instrument, the score for each of the 22 expectation questions were first obtained (Table 4.2). Next, scores for each of the perception questions were then obtained (see Appendix I). Gap Scores for each of the statements (Gap Score = Perception – Expectation) were then calculated (Table 4.4 below).

Step 2: Average Gap Score for each dimension was obtained by assessing the Gap Scores for each of the statements that constitute the dimension and dividing the sum by the number of statements making up the dimension.

Since service quality, as defined in the literature, is a consumer comparison between perceived and expected service, then service quality in the real estate agency sector can be analyzed by comparing buyer perceptions of service received to factors that describe buyer expectations of service. Service quality is the difference between perceived service and expected service. If perceived service received falls below expected service (-ve Gap score), then service quality is not delivered. If perceived service is equal or more than expected service (+ve Gap score), then customers' expectations are met and service quality is delivered.

Table 4.5: Performance of Real Estate Agents According to Consumers

Determinant	Perception Score (P)	Expectation Score (E)	Gap score (P-E)
Service assurances	5.0912	5.6351	-0.5439
Service responsiveness	4.9966	5.3514	-0.3548
Tangible service characteristics	5.2872	5.2838	0.0034
Reliability of service	5.0189	5.2297	-0.2108
Service empathy	5.0730	5.0648	0.0082

Source: Field Survey, 2012

Only two of the perceived factor attributes, i.e., tangible service characteristics and service empathy have a positive gap score which indicates that real estate service quality exceeds minimum standards in these two categories. Other service attributes; service assurance, responsiveness and reliability have negative gap scores indicating that perceptions fall below expectations. Therefore, acceptable

service quality by real estate agents is not being delivered to buyers in these three areas. Leading in poor performance is service assurance followed by responsiveness and service reliability. Research respondents felt that estate agents are lagging behind in quality delivery in these categories and therefore improvement is needed.

4.5 Comparing Service Delivery Perception between Estate Agents and property buyers

To understand why service quality is not being uniformly delivered to consumers, agents who had been involved in sales transactions were interviewed about their expectations and perceptions of quality of estate agency services. By comparing factor analysis results of estate agents service expectations with consumers' service expectations, an evaluation can be made about whether estate agents understand the determinants of service quality in their industry. If estate agents' expectations of service quality differ from those of consumers of their services, then real estate service quality would not be expected. Conversely, if agents are found to understand and match buyer determinants of service quality, then failure to deliver uniform service quality is attributed to some other cause.

A comparison of estate agents expectations with property buyers' expectations of quality real estate service reveals conforming responses in the identification though different in ranking of attribute patterns. This comparison implies that, real estate agents know and understand the determinants of service quality that are expected by their customers. While this implication is somewhat reassuring to the

real estate agency industry, it does not explain why customers do not perceive real estate service quality as being uniformly delivered.

Table 4.6: Estate Agents' Determinants of Service Quality

Attribute		Frequency							Average Score
		1	2	3	4	5	6	7	
	Tangibles								
1	Availability of modern looking equipment			1	3	8	11	16	5.9744
2	The physical facilities should be visually appealing		1		2	9	13	14	5.9231
3	Personnel should be neat in appearance	1		2	4	7	10	15	5.7179
4	Materials associated with the service should be visually appealing.			1	1	11	12	14	5.9487
Average Dimension Score									5.8910
	Reliability								
5	When the firm/company promise to do something by a certain time it will do so.				2	4	17	16	6.2051
6	When a property buyer has a problem, The company should show a sincere interest in solving it.			1	4	2	18	14	6.0256
7	The firm should get things right the first time.		1	1	3	16	12	6	5.4103
8	Firms/companies should provide their services at the time they promise to do so.				2	6	19	12	6.0513
9	Excellent firms/companies will insist on error-free records.				5	11	16	7	5.6410
Average Dimension Score									5.8667
	Responsiveness								
10	Personnel should tell property buyer exactly when services will be performed.			1	7	12	11	8	5.4615
11	Personnel should give prompt service to clients.				2	12	9	16	6.0000

12	Personnel must always be willing to help.			1		5	13	20	6.3077
13	Personnel should not be too busy to respond to clients' requests.		1		1	4	19	14	6.1026
Average Dimension Score									5.9680
Assurance									
14	The behaviour of personnel must instil confidence in clients.			2	4	6	11	16	5.8974
15	Clients of the firm should feel safe in their dealings with the firm.			1	6	5	13	14	5.8462
16	Personnel should be consistently courteous with clients.			2	1	9	14	13	5.8974
17	Personnel should have the knowledge to answer clients' questions.		1		13	11	8	6	5.1026
Average Dimension Score									5.6859
Empathy									
18	Firms/companies should give clients individual attention.				3	16	9	11	5.7179
19	Firms/companies should have operating hours convenient to all their clients.			1	6	8	12	12	5.7179
20	Firms/companies will have staffs who give clients personal attention.		1		2	4	11	21	6.2308
21	Excellent firms/companies should have the client's best interests at heart.				4	7	12	16	6.0256
22	The personnel must understand the specific needs of their clients.	1	1		1	11	12	13	5.7692
Average Dimension Score									5.8923

Source: Field Survey, 2012

From the above table, estate agents' determinants of service quality as identified by factor analysis in rank order from the first to the last are; service

responsiveness, service empathy, tangible service characteristics, reliability of service, and service assurances.

Table 4.7: Estate Agents Ranking of Determinants of Service Quality

Determinant	Average SERVQUAL score
Service responsiveness	5.9680
Service empathy	5.8923
Tangible service characteristics	5.8910
Reliability of service	5.8667
Service assurances	5.6859

Source: Field Survey, 2012

A comparison of property buyers' perceptions and expectations of service quality indicates that real estate service quality is being delivered in some but not all desired areas. In particular, service quality is being delivered in areas of tangibility and buyer empathy, but not in areas of service assurances, reliability and responsiveness.

Comparison of factor analysis results of property buyers and estate agents service quality expectations indicates that both groups agree on the determinants of service quality in the real estate sector. Whilst the buyers consider delivery of service quality to be lagging in areas of responsiveness, assurance and reliability; estate agents evaluation shows that they believe themselves to be well-rounded.

Well-rounded service implies that estate agents perceive their individual sales behavior to be balanced in all areas.

Table 4.8: Estate Agents Performance: Estate Agents versus Property Buyers

Property buyers		Estate agents	
Determinant	Gap score	Determinant	Gap score
Service assurances	-0.5439	Service assurances	0.3590
Service responsiveness	-0.3548	Service responsiveness	0.4679
Tangible service characteristics	0.0034	Tangible service characteristics	0.1859
Reliability of service	-0.2108	Reliability of service	0.5179
Service empathy	0.0082	Service empathy	0.0257

Source: Field Survey, 2012

According to Table 4.8, gap scores for all the service attributes for estate agents' perceptions of their performance have positive scores (see Appendix II for Perception Scores and Appendix III for the Gap Scores). This means that estate agents consider their service performance as being more than expected. In other words, the agents apparently believe that overall service quality in all areas is being delivered to the customers. They perceive themselves as having delivered quality service within each factor category.

But given the premise that only customers judge quality, service quality is therefore defined as “a judgment about a service’s overall excellence or superiority” while “satisfaction is a judgment that a product or service feature, or

the product or service itself, provided/ is providing a pleasure level of consumption-related fulfillment, including levels of under/ or over fulfillment”.

That is, satisfaction is more related to a judgment of how the service emotionally affects the customer and customer’s experiences. Customer satisfaction is achieved by providing valued services and products where value is the positive difference between customer’s actual experiences and their service delivery expectations. Satisfaction is generated by high-quality support services and by being empowered to provide value and resolve customer complaints.

It is the customers therefore, in this case property buyers, who judges whether or not quality service is being delivered and according to them, it is not in areas of reliability, assurance and responsiveness. Efforts therefore need to be put in place to improve on these areas and service quality overall.

4.6 Causes of Poor Service Delivery

Interviews from both estate agents and property buyers identified the following as the major causes of dissatisfaction amongst property buyers;

- **Inadequate marketing research**

Insufficient marketing research or research which is not focused on service quality means that the service provider does not know what customers expect and therefore it becomes difficult to satisfy them.

– **Lack of upward communication**

Lack of interaction between management and customers or insufficient communication between contact employees and managers results to a disconnect between the two parties and therefore any complaints or dissatisfactions from customers are not detected and resolved.

Focus on transactions rather than relationships leaves customers feeling unwanted and disenchanted. Also, too much focus on new customers rather than building relationship with existing customers makes management loose on the customer satisfaction front.

– **Inadequate service recovery**

Most firms lack appropriate recovery mechanisms to make amends whenever things go wrong. Customers are not encouraged to make complaints and contact personnel are not motivated to listen to customer complaints

Discrepancy between managers' perception of customers' expectations and requirement leads to managers doing things which are not related to improving service quality.

– **Uninformed customers who do not fulfill roles**

Customers who lack knowledge of their roles and responsibilities are difficult to satisfy and end up impacting negatively on each other. This results from ineffective management of customer expectations through all forms of communication and lack of adequate education for customers.

– **Lack of integrated services marketing communications**

This makes it impossible to match supply and demand as well as meet expectations. Overpromising in advertising, personal selling and through physical evidence cues leads to dissatisfaction especially when delivery does not match the promise. Absence of a strong internal marketing program results in inadequate horizontal communications. This leads to insufficient communication between sales and operations and between advertising and operations and the result is a difference in policies and procedures across branches.

4.7 Summary

This chapter has dealt with data analysis and presentation of findings. It is here where the determinants of service quality have been identified and ranked, areas which need improvement highlighted, possible causes of poor service delivery and strategies of improving service quality have also been advanced. The next section will deal with the study findings, conclusion and recommendations.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This study has applied the service quality model developed by Parasuraman et al. (1988) to the real estate agency industry for the purposes of identifying determinants of service quality, determine whether property buyers' service expectations are congruent with their perceptions of service rendered by estate agents, determine whether the determinants and perceptions of service quality perceived by estate agents are consistent with those perceived by buyers, evaluating the level of service quality delivered and investigating possible methods of improving service quality in the sector. The study hypothesized that property buyers' perceptions of service quality are the same as those of real estate agents.

5.1 Summary of Findings

Analysis of property buyers response patterns about expectations of service indicate that the determinants of real estate service quality are; service reliability, responsiveness, service assurance, tangible service characteristics, and service empathy. Service reliability involves the provision of service as promised, at the promised time and doing it right the first time; handling customer problems in a dependable manner and keeping customers informed. Service responsiveness

includes willingness to help homebuyers by providing prompt service and readiness to respond to customer requests. Service assurance on the other hand includes knowledge and courtesy to property buyers as well as frequent communication. It involves instilling confidence in customers and making them feel safe in their transactions.

Tangible service characteristics includes the possession of modern equipment, visually appealing facilities and materials related to the service, employees with professional appearance, convenient operating hours and communication materials. Service empathy, finally, involves the provision of caring, individualized attention to customers; informing the customers in a language they can understand, understanding customer's specific needs, and having their best interests at heart.

Service quality determinants identified by this study generally match the generic determinants identified by Parasuraman, except for rank order. The determinants of service quality as identified by factor analysis of property buyers' expectations in rank order from the first to the least are; service assurances, service responsiveness, tangible characteristics of the firm and products offered, reliability of service, and agent's empathy.

Service assurances and responsiveness are ranked first in importance as determinants of service quality by real estate property buyers, but second and fourth in the generic model. This implies that real estate buyers consider these two service attributes relatively more important than do consumers in other service

industries. Comparison of tangible attribute factors indicates that property buyers place approximately the same level of importance to this category as do consumers in other service industries. Reliability of service is ranked fourth by property buyers as a determinant of quality, but first as a determinant in the generic model. Property buyers and generic groups both rank service empathy fifth in priority, which implies that both groups have similar expectations regarding relative importance of empathy as a service quality attribute.

To evaluate the level of satisfaction in service delivery in the real estate agency industry, consumers perceptions about services received have been compared to expectations of preferred service. Only two of the perceived factor attributes, i.e., tangible service characteristics and service empathy have a positive gap score which indicates that real estate service quality exceeds minimum standards in these two categories. However, service quality fell below expectations in the areas of service assurances, reliability and responsiveness. Therefore, acceptable service quality by real estate agents is not being delivered to customers in these three areas. Leading in poor performance is service assurance followed by responsiveness and service reliability.

Analysis of estate agents perceptions reveal that they consider the services they offer to be of quality and above average while the service consumers are dissatisfied in areas of assurance, reliability and responsiveness. This means that estate agents consider themselves as having delivered quality service within each factor category.

Major causes of poor service delivery identified in this study are; inadequate marketing research, lack of upward communication, inadequate service recovery, uninformed customers who do not fulfill their roles, and lack of integrated services marketing communications.

5.2 Conclusion

This study has identified the determinants of service quality in real estate agency, investigated the level of property buyers' satisfaction with services rendered and identified the major causes of poor service delivery. Estate agents consider the services they render to be above average and therefore expect their customers to be satisfied. But since it is only customers who judge quality, it is the customers therefore, in this case property buyers, who judges whether or not quality service is being delivered and according to them, it is not in overall. Efforts therefore need to be put in place to improve on these areas and service quality overall.

To bridge the performance gap, the management should strive to empower and motivate salespersons who will in turn strive to satisfy clients. Performance feedback and evaluation are therefore necessary to improve service quality because they provide a base for implementing corrective behavioral attributes and improving future service quality. But, since quality is a concept defined by specific attributes and performance standards relative to competitors, estate agency firms should concentrate on improved service quality based around clients' requirements and include quality concepts at every stage in the planning and delivery of a product or service.

5.3 Recommendations

Since quality is a concept defined by specific attributes and performance standards relative to competitors, estate agency firms should concentrate on improved service quality based around clients' requirements and include quality concepts at every stage in the planning and delivery of a product or service. This should become a continuous process since the clients' perceptions of quality are constantly changing and are also determined by the competition. Since the dynamism of the external environment determines the clients' perception, quality also becomes a process of continuous feedback and improvement and the firms need to develop yardsticks to help measure the quality of service offered to their customers.

To bridge the performance gap, the management should strive to empower and motivate salespersons who will in turn strive to satisfy clients. Managers thus should allocate resources to reengineer their processes aimed at changing the firm behavior to avoid pitfalls that may lead to dissatisfaction among homebuyers. The difference between service delivery and external communication to customers about service delivery should be bridged by accurate and sincere communication to the clients together with delivery on the promise.

To establish more realistic expectations to clients, communication channels like public relation desk, advertising and others should be set up. These channels should be used by the firm to increase customer satisfaction by setting the right customer perception to the service quality at hand.

In order to ensure and increase the conformance to quality of services, i.e. the service delivery happens as designed, various methods like guaranteeing quality service, prompt recovering whenever something goes wrong, setting standards and measuring, statistical process control and customer involvement should be adopted. Furthermore, firms can adapt their terms and conditions according to the type of service they offer. The function of service quality is competitiveness including customer satisfaction which ensures a good maintenance of a customer base. The firm should emphasize on the delivery of quality service on all fronts.

Improving service delivery comes from continuous learning about the expectations and perceptions of customers and noncustomers. Quality is defined by the customer. Conformance to company specifications is not quality but conformance to the customer's specifications is. Customer research reveals the strengths and weaknesses of a company's service from the perspective of those who have experienced it. Noncustomer research reveals how competitors perform on service and provides a basis for comparison. Possible measures of service delivery improvement identified in this study include;

– **Offering well-rounded services**

Customers expect service companies to treat them well and become resentful and mistrustful when they perceive otherwise. Fairness underlies all the customers' expectations. Customers expect service companies to keep their promises (reliability), to offer honest communication materials and clean, comfortable facilities (tangibles), to provide prompt service (responsiveness), to be competent and courteous (assurance), and to provide caring, individualized attention

(empathy). Fairness is not a separate dimension of service but, rather, touches the very essence of what customers expect.

– **Prompt feedback and response**

When a service problem occurs, the customer's confidence in the firm hangs in the balance. The company can make things better with the customer, at least to some extent, or make things worse. This situation should be addressed by;

- Encouraging customers to complain and making it easy for them to do so
- Responding quickly and personally
- Developing a problem resolution system.

– **Employee research**

Employee research is as important to service improvement as customer research, for three reasons. First, employees are themselves customers of internal service, and thus are the only people who can assess internal service quality. Because internal service quality affects external service quality, measuring internal service quality is essential. Second, employees can offer insight into conditions that reduce service quality in the organization. Employees experience the company's service delivery system day after day. They see more than customers see and they see it from a different angle. Employee research helps reveal why service problems occur, and what companies might do to solve these problems. Third, employee research serves as an early-warning system. Because of employees' more intensive exposure to the service delivery system, they often see the system breaking down before customers do.

– **Motivating and inspiring salespersons**

Improving service involves undoing what exists as much as creating what doesn't. Servant leaders serve the servers, inspiring and enabling them to achieve. Such leaders fundamentally believe in the capacity of people to achieve, viewing their own role as setting a direction and a standard of excellence, and giving people the tools and freedom to perform.

Because these leaders believe in their people, they invest much of their personal energy coaching and teaching them, challenging them, inspiring them, and, of course, listening to them.

Servant Leadership embraces the idea that leaders inspire, challenge, and coach their people to deliver excellent service.

– **Educating customers and managers**

Manage customers for service quality by educating them to perform their roles and responsibilities in service delivery effectively. Inactive customers who negatively affect others should be controlled or terminated.

Managers responsible for sales and marketing communications about operational capabilities should be educated on the importance of making realistic and deliverable promises. This can be achieved by developing internal educational and motivational advertising campaigns to strengthen understanding and integration among the marketing, operations, human resource functions, and to standardize service delivery across different locations.

5.4 Areas of Further Research

This research project has been undertaken with time constraints and therefore is limited in scope. It has however identified the determinants of service quality in real estate agency sector, areas which need improvement, causes of poor service delivery and possible ways of improvement. There is however need for further study in the following areas:

- Whether determinants of service quality are the same as determinants of customer satisfaction.
- Use of modern technology to improve service delivery.
- Whether determinants of service quality in estate agency are applicable to other real estate sectors like property valuation.

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Appendix I: Property Buyers' Perception Scores

Attribute		Frequency							Average Score
		1	2	3	4	5	6	7	
	Tangibles								
1	The firm/company has modern-looking equipment.			1	10	32	20	11	5.4054
2	The physical facilities are visually appealing.		1	1	24	11	17	20	5.3784
3	Personnel are neat in appearance.		4	6	21	13	18	12	4.9595
4	Materials associated with the service are visually appealing.			3	16	21	16	18	5.4054
Average Dimension Score									5.2872
	Reliability								
5	When the firm/company promises to do something by a certain time it does so.	2	2	1	21	21	16	11	5.0135
6	When you have a problem, the firm/company shows a sincere interest in solving it.	3		5	11	23	21	11	5.1351
7	The firm/company gets things right the first time.	2	5	3	24	17	18	5	4.6622
8	The firm/company provides its services at the time it promises to do so.		1	2	14	19	26	12	5.3919
9	The firm/company insists on error-free records.			1	26	31	12	4	4.8919
Average Dimension Score									5.0189
	Responsiveness								
10	The personnel tell you exactly when services will be performed.		2	9	28	11	18	6	4.7027
11	Personnel give prompt service.	1	3	1	17	19	21	12	5.1757
12	Personnel are always willing to help you.		2	6	14	31	17	4	4.9054
13	Personnel are never too busy to respond to your requests.			1	20	23	23	7	5.2027
Average Dimension Score									4.9966
	Assurance								

14	The behaviour of personnel instils confidence in you		1	4	13	19	20	17	5.4054
15	You feel safe in your dealings with the firm/company.	8	1	5	19	18	17	6	4.5270
16	Personnel are consistently courteous to you.	2		1	19	29	14	9	5.0405
17	Personnel have the knowledge to answer your questions.	1		4	11	19	26	13	5.3919
Average Dimension Score									5.0912
Empathy									
18	The firm/company gives you individual attention.		2	2	16	27	21	6	5.0946
19	The company has operating hours convenient to all its clients.	1		9	9	24	18	13	5.1757
20	The firm/company has personnel who give personal attention.		6	1	20	28	13	6	4.7973
21	The firm/company has your best interests at heart.	3		12	17	22	9	11	4.7027
22	The personnel understand your specific needs		2	2	8	18	26	18	5.5946
Average Dimension Score									5.0730

Appendix II: Estate Agents' Perception Scores

Attribute		Frequency							Average Score
		1	2	3	4	5	6	7	
	Tangibles								
1	The firm/company has modern-looking equipment.			2	2	4	12	19	6.1282
2	The physical facilities are visually appealing.			1	1	5	14	18	6.2051
3	Personnel are neat in appearance.				4	3	17	15	6.1026
4	Materials associated with the service are visually appealing.			3	1	5	19	11	5.8718
Average Dimension Score									6.0769
	Reliability								
5	When the firm/company promises to do something by a certain time it does so.			1		1	17	20	6.4103
6	When clients have a problem, the company shows a sincere interest in solving it.				2	4	12	21	6.3333
7	The firm/company gets things right the first time.				1	3	11	24	6.4872
8	The firm provides its services at the time it promises to do so.				1	4	15	19	6.3333
9	The firm/company insists on error-free records.			2		1	15	21	6.3590
Average Dimension Score									6.3846
	Responsiveness								
10	The personnel tell clients exactly when services will be performed.			2		1	12	24	6.4359
11	Personnel in the firm give clients prompt service.		1			2	10	26	6.5128
12	Personnel are always willing to help.			1	4	1	9	24	6.3077
13	Personnel are never too busy to respond to requests.				1	2	13	23	6.4872
Average Dimension Score									6.4359
	Assurance								

14	The behaviour of personnel instils confidence in clients			1	4	4	11	19	6.1026
15	Clients feel safe in their dealings with the company.				2	7	9	21	6.2564
16	Personnel are consistently courteous with clients.			3	3	1	14	18	6.0513
17	Personnel have the knowledge to answer clients' questions.		1	1	6	4	13	14	5.7692
Average Dimension Score									6.0449
	Empathy								
18	The firm/company gives clients individual attention.			1	6	8	14	10	5.6667
19	The firm/company has operating hours convenient to all its clients.			2	1	12	11	13	5.8205
20	The firm/company has personnel who give clients personal attention.				1	7	16	15	6.1539
21	The firm/company has clients' best interests at heart.		1	1	2	6	15	14	5.9231
22	The personnel understand clients' specific needs				3	5	19	12	6.0256
Average Dimension Score									5.9180

Appendix III: Estate Agents' Gap Scores

Determinant	Perception Score (P)	Expectation Score (E)	Gap score (P-E)
Service assurances	6.0449	5.6859	0.359
Service responsiveness	6.4359	5.9680	0.4679
Tangible service characteristics	6.0769	5.8910	0.1859
Reliability of service	6.3846	5.8667	0.5179
Service empathy	5.9180	5.8923	0.0257

Appendix IV: Questionnaire to Property Buyers

1. Kindly indicate your employment status

Unemployed

Self employed

Employed (government)

Employed (private sector)

2. How many times have you purchased a property through estate agents?

1

1-5

5-10

More than 10

3. Were you satisfied with the services rendered?

Yes go to 5

No go to 4

4. Give your reasons why you were not satisfied;

Slow service

Uninformed employees

Expensive services

Lack of follow up with complaints

Promises not kept

Corrupt/unethical employees

Others.....

5. Below are features describing experiences, services, products and characteristics of estate agency firms. Please show the extent to which you think an Estate Agency firm/company should possess the feature described by each statement. If you feel a feature is *not at all essential* for excellent firms/companies such as the one you have in mind, circle the number **1**. If you feel a feature is *absolutely essential* for excellent firms, circle **7**. If your feelings are less strong, circle one of the numbers in the middle.

	Strongly Disagree						Strongly Agree
1. Availability of modern looking equipment	1	2	3	4	5	6	7
2. The physical facilities should be visually appealing	1	2	3	4	5	6	7
3. Personnel should be neat in appearance	1	2	3	4	5	6	7
4. Materials associated with the service (Such as pamphlets or statements) should be visually appealing.	1	2	3	4	5	6	7
5. When the firm/company promise to do something by a certain time it will do so.	1	2	3	4	5	6	7
6. When a property buyer has a problem, The company should show a sincere interest in solving it.	1	2	3	4	5	6	7
7. The firm should get things right the first time.	1	2	3	4	5	6	7
8. Firms/companies will provide their services at the time they promise to do so.	1	2	3	4	5	6	7

9. Excellent firms/companies will insist on error-free records.	1	2	3	4	5	6	7
10. Personnel should tell property buyers exactly when services will be performed.	1	2	3	4	5	6	7
11. Personnel should give prompt service to clients.	1	2	3	4	5	6	7
12. Personnel must always be willing to help.	1	2	3	4	5	6	7
13. Personnel should not be too busy to respond to clients' requests.	1	2	3	4	5	6	7
14. The behaviour of personnel must instil confidence in clients.	1	2	3	4	5	6	7
15. Clients of the firm should feel safe in their dealings with the firm.	1	2	3	4	5	6	7
16. Personnel should be consistently courteous with clients.	1	2	3	4	5	6	7
17. Personnel should have the knowledge to answer clients' questions.	1	2	3	4	5	6	7
18. Firms/companies should give clients individual attention.	1	2	3	4	5	6	7
19. Firms/companies should have operating hours convenient to all their clients.	1	2	3	4	5	6	7
20. Firms/companies will have staff who give clients personal attention.	1	2	3	4	5	6	7

21. Excellent firms/companies should have the client's best interests at heart.	1	2	3	4	5	6	7
22. The personnel must understand the specific needs of their clients.	1	2	3	4	5	6	7
Others.....specify							

6. Below are features describing experiences, services, products and characteristics of estate agency firms. For each statement, please show the extent to which you believe the firm/company which served you has the feature described by the statement. Once again, circling a 1 means that you strongly disagree that this firm/company has this feature and circling a 7 means that you strongly agree. You may circle any of the numbers in the middle that show how strong your feelings are.

	Strongly Disagree						Strongly Agree
1. The firm/company has modern-looking equipment.	1	2	3	4	5	6	7
2. The physical facilities in the firm/company are visually appealing.	1	2	3	4	5	6	7
3. Personnel in the firm/company are neat in appearance.	1	2	3	4	5	6	7
4. Materials associated with the service (such as pamphlets or statements) are visually appealing.	1	2	3	4	5	6	7
5. When the firm/company promises to do something by a certain time it does so.	1	2	3	4	5	6	7
6. When you have a problem, the							

firm/company shows a sincere interest in solving it.	1	2	3	4	5	6	7
7. The firm/company gets things right the first time.	1	2	3	4	5	6	7
8. The firm/company provides its services at the time it promises to do so.	1	2	3	4	5	6	7
9. The firm/company insists on error-free records.	1	2	3	4	5	6	7
10. The personnel in the firm/company tell you exactly when services will be performed.	1	2	3	4	5	6	7
11. Personnel in the firm/company give you prompt service.	1	2	3	4	5	6	7
12. Personnel in the firm/company are always willing to help you.	1	2	3	4	5	6	7
13. Personnel in the firm/company are never too busy to respond to your requests.	1	2	3	4	5	6	7
14. The behaviour of personnel in the firm/company instils confidence in you	1	2	3	4	5	6	7
15. You feel safe in your dealings with the firm/company.	1	2	3	4	5	6	7
16. Personnel in the firm/company are consistently courteous with you.	1	2	3	4	5	6	7
17. Personnel in the firm/company have the knowledge to answer your questions.	1	2	3	4	5	6	7

18. The firm/company gives you individual attention.	1	2	3	4	5	6	7
19. The firm/company has operating hours convenient to all its clients.	1	2	3	4	5	6	7
20. The firm/company has personnel who give you personal attention.	1	2	3	4	5	6	7
21. The firm/company has your best interests at heart.	1	2	3	4	5	6	7
22. The personnel of the firm/company understand your specific needs	1	2	3	4	5	6	7
Others.....please specify							

7. Do you think the firm/company can improve its service to customers?

Yes go to 8

No go to 9

8. Please state where improvements are needed

9. Gender of respondent

Male

Female

10. Age of respondent

Below 30years

31-40

41-50

Over 50

11. Kindly state your nationality status

Kenyan

Non-Kenyan

Thank you for filling the questionnaire.

Appendix V: Questionnaire to Estate Agents

1. How long have you been practicing estate agency?

Below 1 year

1-5years

6-10years

Over 10years

2. Do you handle any complaints from property buyers?

Yes go to 4

No go to 3

3. Please give reasons why you do not personally handle customers' complaints

- i. Not allowed for your cadre
- ii. There is a customer care desk
- iii. Others...please state

4. Which are the most common property buyers' complaints that you have handled during the last one year?

- i. Slow service
- ii. Unsettled queries
- iii. Rude staff
- iv. Corrupt/unethical staffs
- v. Others.....please specify

5. Below are features describing experiences, services, products and characteristics of estate agency firms. Please show the extent to which you think an Estate Agency firm/company should possess the feature described by each statement. If you feel a feature is *not at all essential* for excellent firms/companies such as the one you have in mind, circle the number **1**. If you feel a feature is *absolutely essential* for an excellent firm, circle **7**. If your feelings are less strong, circle one of the numbers in the middle.

	Strongly Disagree					Strongly Agree	
1. Availability of modern looking equipment	1	2	3	4	5	6	7
2. The physical facilities should be visually appealing	1	2	3	4	5	6	7
3. Personnel should be neat in appearance	1	2	3	4	5	6	7
4. Materials associated with the service (Such as pamphlets or statements) should be visually appealing.	1	2	3	4	5	6	7
5. When the firm/company promise to do something by a certain time it will do so.	1	2	3	4	5	6	7
6. When a property buyer has a problem, the company should show a sincere interest in solving it.	1	2	3	4	5	6	7
7. The firm should get things right the first time.	1	2	3	4	5	6	7
8. Firms/companies should provide their services at the time they promise to do so.	1	2	3	4	5	6	7
9. Excellent firms/companies will insist on error-free records.	1	2	3	4	5	6	7
10. Personnel should tell property buyers exactly when services will be performed.	1	2	3	4	5	6	7
11. Personnel should give prompt service to clients.	1	2	3	4	5	6	7

12. Personnel must always be willing to help.	1	2	3	4	5	6	7
13. Personnel should not be too busy to respond to clients' requests.	1	2	3	4	5	6	7
14. The behaviour of personnel must instil confidence in clients.	1	2	3	4	5	6	7
15. Clients of the firm should feel safe in their dealings with the firm.	1	2	3	4	5	6	7
16. Personnel should be consistently courteous with clients.	1	2	3	4	5	6	7
17. Personnel should have the knowledge to answer clients' questions.	1	2	3	4	5	6	7
18. Firms/companies should give clients individual attention.	1	2	3	4	5	6	7
19. Firms/companies should have operating hours convenient to all their clients.	1	2	3	4	5	6	7
20. Firms/companies will have staff who give clients personal attention.	1	2	3	4	5	6	7
21. Excellent firms/companies should have the client's best interests at heart.	1	2	3	4	5	6	7
22. The personnel must understand the specific needs of their clients.	1	2	3	4	5	6	7
Others.....specify							

6. Below are features describing experiences, services, products and characteristics of estate agency firms. For each statement, please show the extent to which you believe this firm/company has the feature described by the statement. Once again, circling a **1** means that you strongly disagree that this firm/company has this feature and circling a **7** means that you strongly agree. You may circle any of the numbers in the middle that show how strong your feelings are.

	Strongly Disagree						Strongly Agree
1. The firm/company has modern-looking equipment.	1	2	3	4	5	6	7
2. The physical facilities in the firm/company are visually appealing.	1	2	3	4	5	6	7
3. Personnel in the firm/company are neat in appearance.	1	2	3	4	5	6	7
4. Materials associated with the service (such as pamphlets or statements) are visually appealing.	1	2	3	4	5	6	7
5. When the firm/company promises to do something by a certain time it does so.	1	2	3	4	5	6	7
6. When clients have a problem, the firm/company shows a sincere interest in solving it.	1	2	3	4	5	6	7
7. The firm/company gets things right the first time.	1	2	3	4	5	6	7
8. The firm/company provides its services at the time it promises to do so.	1	2	3	4	5	6	7

9. The firm/company insists on error-free records.	1	2	3	4	5	6	7
10. The personnel in the firm/company tell clients exactly when services will be performed.	1	2	3	4	5	6	7
11. Personnel in the firm/company give clients prompt service.	1	2	3	4	5	6	7
12. Personnel in the firm/company are always willing to help.	1	2	3	4	5	6	7
13. Personnel in the firm/company are never too busy to respond to requests.	1	2	3	4	5	6	7
14. The behaviour of personnel in the firm/company instils confidence in clients	1	2	3	4	5	6	7
15. Clients feel safe in their dealings with the firm/company.	1	2	3	4	5	6	7
16. Personnel in the firm/company are consistently courteous with clients.	1	2	3	4	5	6	7
17. Personnel in the firm/company have the knowledge to answer clients' questions.	1	2	3	4	5	6	7
18. The firm/company gives clients individual attention.	1	2	3	4	5	6	7
19. The firm/company has operating hours convenient to all its clients.	1	2	3	4	5	6	7
20. The firm/company has personnel who give clients personal attention.	1	2	3	4	5	6	7

21. The firm/company has clients' best interests at heart.	1	2	3	4	5	6	7
22. The personnel of the firm/company understand clients' specific needs	1	2	3	4	5	6	7
Others.....specify							

7. Do you think the firm/company can improve its service to customers?

Yes go to 8

No go to 9

8. Please state where improvements are needed

9. Gender of respondent

Male

Female

10. Age of respondent

Below 30years

31-40

41-50

Over 50

11. Kindly state your nationality status

Kenyan

Non-Kenyan

Thank you for filling the questionnaire.