BASES FOR SEGMENTING CLIENTS IN THE CONTRACT CLEANING SERVICE INDUSTRY

A dissertation presented to

The Graduate School of Business
University of Natal

in partial fulfilment of the requirements for the degree of

Master of Business Administration
University of Natal

by

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September 2001

PREFACE

Thanks and appreciation go to my supervisor Professor Kantilal Bhowan of the University of Natal for his encouragement and direction.

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1 ABSTRACT

A survey was undertaken for a contract cleaning company in Durban. In order to preserve the confidentiality of the information contained in this dissertation, a fictitious name, Kleen Co, has been used. The aim of the survey was to find further similarities within the existing segments. At present, the traditional geographic and industry-type bases of segmentation (namely healthcare, hospitality, offices and shopping centres in various regions) are used. Recent literature suggests that similarities can be sought in three areas:

1. expectations of service;
2. perceptions of service;
3. unique benefits of the service.

In the survey, clients were asked to rate their expectations and perceptions for six attributes (price of the cleaning service, customer service, quality of cleaning, innovativeness of cleaning methods, assessment of cleaning requirements, and consistency of the cleaning service). They were also asked to rate the relevance of four reasons for outsourcing (cheaper to outsource, need for specialised cleaning, company policy to outsource, and labour problems).

The results indicate that price and innovation can be used as further bases for segmentation for the following segments:

- offices and healthcare have the same *high expectation* for price; healthcare and hospitality have the same *high expectation* for innovation;
- shopping centres and hospitality have the same *low expectation* for price;
- offices and shopping centres have the same *low expectation* for innovativeness;
- healthcare and hospitality have the same *high perceptions* for price and innovation;
- offices and shopping centres have the same *low perceptions* for price and innovation.

For outsourcing are concerned, the following reasons were found:

- offices: all reasons are relevant except for price of service.
- healthcare: need for specialised cleaning and labour problems are relevant; price of service and company policy are irrelevant;
- shopping centres: price of service and company policy are relevant; need for specialised cleaning and labour problems are irrelevant.
- hospitals: all reasons are relevant except company policy to outsource.

Although the main aim of the survey was to identify new segments, client satisfaction was also measured. Clients were asked whether they had raised a complaint with the company and, if so, how satisfied they were with the outcome. This was done in order to test the loyalty of clients, the hypothesis being that the longer the client had been with Kleen Co, the more satisfied they would be with the outcome of their complaints - and more loyal. However, the data reflect that clients who have been with the company for more than four years are no more satisfied in this regard than clients who have been with the company for shorter periods of time.

2 INTRODUCTION AND PROBLEM STATEMENT

2.1 Introduction

Kleen Co provides a specialist contract cleaning service to the healthcare and hospitality industries, as well as to commercial and industrial properties. The aim of this dissertation is twofold: firstly, to discover new bases for segmentation based on the latest research in this area, and secondly, to investigate the different marketing approaches used for services (as opposed to products). The importance of client satisfaction, loyalty and client retention is also considered.

2.2 Statement of the problem

The hypothesis is that Kleen Co's clients have different purchasing characteristics, ranging from the reasons *why* they purchase Kleen Co's services, their different *expectations* and *perceptions* of the service, and how they rate the various *attributes* of contract cleaning. The reason for wanting to identify such differences is that the company serves a wide range of industries, from hospitals and factories to offices, each with their own identifiable needs.

If one is to formulate a marketing plan that can be directed at *all* clients equally, then what is required is the identification of common purchasing behaviours or motives that exist amongst most (if not all) of the clients. However, for a company that serves as diverse a group of clients as Kleen Co, this is not a practical option. What, then, is needed is the identification of common behaviours or motives *within* the different client groups (in this case, healthcare, hospitality, offices and shopping centres).

While this has traditionally been done according to industry type, the latest developments in segmentation approaches show that a company should rather segment its clients (and its market) according to their perceptions of the service received (that is, what they get), their expectations of the service (that is, what they look forward to), or how they rate the importance of various attributes of contract cleaning. The survey undertaken of Kleen Co's clients has identified which clients share these expectations, perceptions, and rating of attributes.

The problem statement is therefore as follows:

1. Kleen Co's clients have different expectations;
2. Kleen Co's clients have different perceptions;
3. Kleen Co's clients rate the importance of contract cleaning attributes differently;

and

4. Kleen Co's clients have different reason for outsourcing their cleaning requirements.

Stated as null hypotheses (together with the corresponding alternative hypotheses in italics):

$H_{O\,1}$: Kleen Co's clients do not have different expectations;

$H_{A\,1}$: Kleen Co's clients have different expectations;

$H_{O\,2}$: Kleen Co's clients do not have different perceptions;

$H_{A\,2}$: Kleen Co's clients have different perceptions;

$H_{O\,3}$: Kleen Co's clients do not rate the importance of contract cleaning attributes differently;

$H_{A\,3}$: Kleen Co's clients rate the importance of contract cleaning attributes differently;

and

$H_{O\,4}$: Kleen Co's clients do not have different reasons for outsourcing their cleaning requirements;

$H_{A\,4}$: Kleen Co's clients have different reasons for outsourcing their cleaning requirements.

In the literature review that follows, emphasis has been placed on those topics dealt with in the survey, such as the difference between a service and a product, the importance of proper segmentation, the different bases for segmentation, the meaning of quality and customer satisfaction, and the importance of retaining existing clients.

2.3 Limitations of the research

Because of the relatively few responses from some of the industries served, statistical significance could not be proved by means of the chi-squared test. The exception was the offices group. This test could also be used when all the responses were combined.

The distribution and collection of the survey instrument was done by employees of Kleen Co, which may have resulted in "unfavourable" responses being excluded, even though staff were not directly evaluated by the questionnaire.

A quarter of respondents did not answer the paired comparison question (question 4). Nevertheless, the value obtained from those who did answer the question is sufficient for analysis and interpretation.

3 LITERATURE REVIEW

3.1 Services marketing: how different is it from product marketing?

It is suggested by Kotler (2000: 434) that, until recently, service firms lagged behind manufacturing firms in their use of marketing. The traditional four Ps of marketing work well for products, but additional elements require attention in service businesses. In an effort to redress this apparent shortcoming, Booms and Bitner (1981: 47-51) suggest three additional Ps for service marketing: people, physical evidence, and process.

Because most services are provided by *people*, the selection, training, and motivation of employees can make a huge difference in customer satisfaction, especially where the company believes in one-to-one marketing. Kleen Co is a labour-intensive service supplier with high levels of interaction between the cleaning staff and the customer. Because of this high level of interaction, there is an opportunity to create or enhance customer satisfaction through positive Human Resource policies that will motivate the staff to provide better service to the client.

In this respect, Gronroos (1984: 36-44) argues that service marketing requires not only external marketing, but also internal and interactive marketing. External marketing describes the normal process of preparing, pricing, distributing and promoting the service to customers. Internal marketing describes the work of training and motivating employees to serve customers well. Interactive marketing describes the employee's skill in serving the client. In other words, the service will not only be judged by its technical quality (for example, the standard or quality of cleaning), but also by its functional quality (such as highly personal service).

Companies also demonstrate their service quality through *physical evidence* and presentation – for example, a contract cleaning company may invite prospective clients to visit the premises of similar existing clients.

Finally, service companies have a choice of different *processes* to deliver their service, the determining factor being the provision of what clients want.

Pitt (1998: 168) also asks whether the marketing of services is different to the marketing of goods. If the answer is "yes", it can lead to important insights into service firms and the particular problems in marketing services, and the recognition that there are many opportunities arising from these differences. The answer "no" highlights the different strategies needed when marketing a service.

In differentiating services from products, Pitt (1998: 169) identifies four characteristics that products specificallydo not have: intangibility, simultaneity, heterogeneity and perishability. Clemes, Mollenkopf and Burn (2000: 575) go further and identify a fifth characteristic: lack of ownership.

3.1.1 Intangibility

This is the most fundamental difference between a product and a service. One can see, touch and hold a product, but one cannot do this with a service. Whereas products are things, services are performances or experiences. Intangibility means that one never really has anything to show customers; there is nothing for them to feel the quality of or to try out. For customers, intangibility means that they cannot see what they are buying. This is even the case where contract cleaning is concerned – one may be able to *see* a clean floor, but one cannot *hold* a clean floor. This is simply *evidence* of the service, and is a point that is discussed further below.

The problems that flow from this characteristic have been identified by several authors and can be summarised as follows:

Communication: intangible services cannot be readily displayed or easily communicated to customers (Hill and Nimish, 1992: 63-76).
Diffusion: services as performances or experiences are often mentally difficult to grasp and therefore slow to diffuse (Zeithaml, 1981:186-190).

Protection: intangibly dominant services are difficult to patent (Cowell, 1985). This is the case for Kleen Co. Because cleaning equipment is easy to use and customers can easily evaluate the service at any time by simply inspecting the cleanliness of the premises, contract cleaning may not be as intangible as other services (such as those of an attorney). However, since cleaning is essentially a universal function, to patent it may prove to be exceptionally difficult, if not impossible.

Calculation of cost: people-based services, which rely on customer involvement, make costs difficult to calculate (Dearden, 1978: 132-140).

Setting of prices: prices are difficult to set for people-based, heterogeneous services (Lovelock 1981: 174-182). This is particularly relevant to Kleen Co as calculating the service fee requires independent assessment for every single contract.

Nevertheless, despite these challenges, managers can overcome the problems of intangibility by managing various aspects, such as evidence, tangibles, sampling and memories.

3.1.1.1 Evidence

Because customers cannot see the service prior to purchase, they have to be given evidence of what they will get. Such evidence would include effective advertising, references and testimonials, and even, in the case of contract cleaning, the inspection of existing clients' sites by prospective clients.

3.1.1.2 Tangibles

Even though a service is intangible, effective marketing requires the management of the things that are tangible: when people can't see what they are buying, they look for clues or indicators. These include such things as the office, the equipment used in providing the service (such as electric floor polishers), the appearance of staff (staff uniforms) and of printed items such as brochures, business cards and even a web site. These assume an importance at a level not applicable to manufactured goods. However, the assumption is that customers will see such tangibles. For example, it is of little use to have attractive, expensive offices if few clients will ever visit them.

3.1.1.3 Sampling

It is very difficult to sample or "test-drive" a service, yet it is worth trying to find a way of demonstrating it. On-site experience of a service is the best way for a customer to sample it, yet it may not always be the most practical. It is here that references, referrals and testimonials of other clients can be useful.

3.1.1.4 Memories

Because services are intangible, the customer more often relies on the testimony of others than in the case of products. With a product the customer also has something to show for it; services are usually just a memory. Memories can be managed to the supplier's advantage: firstly, to promote word of mouth, and, secondly, to bring past customers back by reminding them how good the service was. This is best done by increasing the amount of time spent by management with customers.

3.1.2 Simultaneity

The production and the consumption of a service generally occur at the same time. In the case of a contract cleaning company, once an area has been cleaned, there is no further need for the service, at least until the area becomes dirty again. This presents the supplier of the service with the opportunity to create unique services or the unique automation of services. This will allow the supplier to extract better value from the market, and to introduce innovative service concepts and processes that capture whole new markets. To get the most out of simultaneity, a number of issues need to be managed: customisation, customer participation, innovation, service industrialisation, and the "theatre" of service provision.

3.1.2.1 Customisation

As services are produced and consumed at the same time, the service provider can customise the service to the client's specifications to a far greater extent than with most products. This is one of the reasons why Kleen Co can offer such an extensive range of cleaning services, that can be customised to each client's requirements. Where service customisation is manageable, and appropriate, and where the customer is willing to pay for it to the extent that it not only covers the costs but also creates superior margins, it is worth pursuing, and often becomes the basis for competitive advantage. This includes diversification of the service not only to hospitals, hotels, factories etc., but also to one-off specialist cleaning contracts (such as the sterilisation of CD factory production facilities).

3.1.2.2 "Managing" the customer as a part-time employee

A service cannot be delivered in the same way as a product. In order to receive the service, customers either have to go to the factory, or the service provider has to take the factory to them. In contract cleaning, the "factory" is human capital, which is required on-site. Furthermore, the customer has a certain responsibility in ensuring that the service meets his specifications and may even have to do a substantial amount of work to achieve this.

In many cases the quality of the service depends almost as much on the customer as on the service provider. This is particularly the case with contract cleaning, as the cleaners normally report to the clients and take theirday-to-day instructions from them. The customer can therefore be seen as a partner in service firms, and is in a sense a "part-time employee". Firms should thus think carefully about recruiting, screening and selecting customers. They may need to be trained to make efficient use of the service. They may need to be motivated to make full use of the services, so that they benefit from it as the supplier wishes. They will almost certainly need to be organised. Their implementation of the service also needs to be controlled. It may even be necessary to fire certain customers if the service provider is to achieve its broader objectives and act in the interests of the majority of profitable, paying customers.

3.1.2.3 Innovation as part of customer participation

If, in service settings, the customer is seen as a necessary co-partner in the service creation process, then as many service innovations should be initiated as possible. If customers are willing to do some work, it is possible create mutually profitable environments for them to do it in; they can lead to more efficient service and significant cost reductions. Even in the contract cleaning industry, customers are often in the best position to make suggestions and recommendations on improving the efficiency of the cleaning staff and the materials that they use.

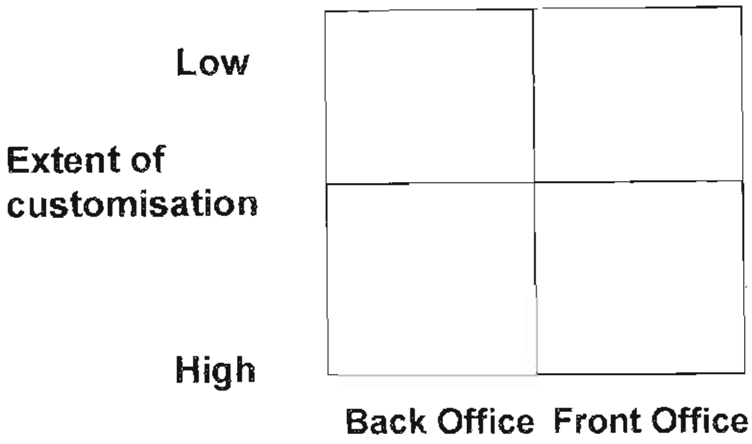
3.1.2.4 Service industrialisation

A fundamental dilemma facing service managers is whether they want the customer to come inside the factory or not. As with banks, it is better to eliminate areas with service problems than to solve the problems. In doing so, the supplier offers not more service but *less*. However, if this is taken to the extreme, it may be found that customers do not wish to deal entirely with machines. The company must then run their service operations as either a factory (back office, or "out-of-sight" service, such as workshop repairs) or a theatre (front office, or direct customer contact throughout the duration of the service). As mentioned earlier, contract cleaning is a labour-intensive industry with little room for mechanisation beyond the machines already in use. Nevertheless, where possible, the process should be automated. In this way the cleaning service can be kept "out-of-sight" as much as possible – one of the reasons for outsourcing is that the customer avoids dealing with the outsourced service.

3.1.2.5 The service business as a factory or theatre

Schmenner (1986: 21-32) suggests that people think of most service businesses according to two key dimensions. The first is the extent of customisation. The customisation of services is possible because they all tend to be produced and consumed simultaneously; the service provider can therefore customise each individual service offering instead of offering a standardised package. The second is the extent to which the various activities are visible to the customer ("front office"), or invisible ("back office"). If a grid is constructed along these two dimensions, the activities that occur in any service firm can be classified into four categories.

Figure 3.1 Service firm activities

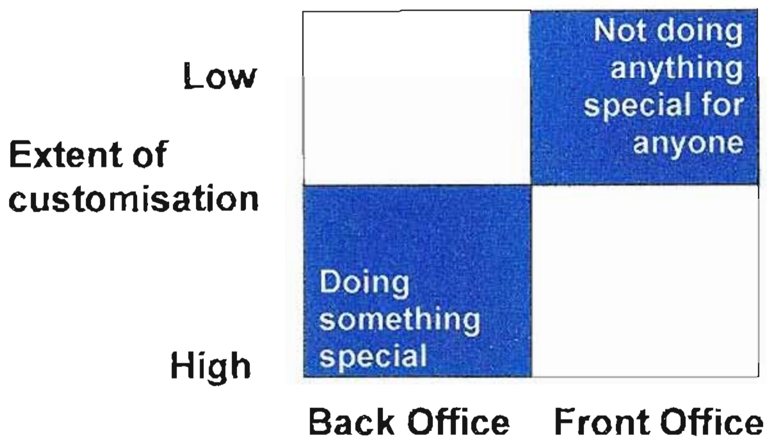


Pitt. L. 1998. Marketing for Managers. Cape Town: Juta. 177.

This matrix makes it possible to identify in which of the four quadrants most problems occur in service firms. The problems usually occur in the top right-hand quadrant, or in the front office, where customisation is low: the service firm is not doing anything special for anyone, but all activities are visible to the customer.

The problem with a highly-customised back office is that the service firm may be doing something requiring a high degree of skill, but no one sees it being done. The situations are best summarised by the following diagram.

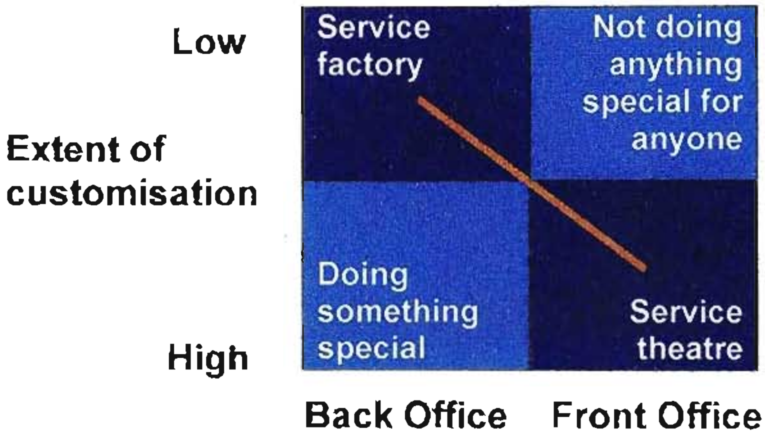
Figure 3.2 Customisation of service firm activities



Pitt. L. 1998. Marketing for Managers. Cape Town: Juta. 178.

One solution to these issues may be to concentrate on the diagonal away from these two cells; that is, either to shift all front office activities where customisation is low to the left, or down; and to shift back office activities where customisation is high to the right, or up, as the next diagram shows.

Figure 3.3 Opportunities in Service Firms



Pitt. L. 1998. Marketing for Managers. Cape Town: Juta. 178.

This analysis shows that service firms can look for opportunities along the diagonal, and that there is room in the market for both kinds of firms. Of course, they end up being very different kinds of businesses. A firm where activities tend to be concentrated in the back office, with low customisation, is characterised by low costs, mass production, and efficiency (in fact all the things common to a factory). The firm where most activities are of the front-office type and highly customised is where a client would go to be entertained as much as to purchase the core service - such as watching a movie (which is why it is called a service "theatre"). Kleen Co would fall into the latter category, as the level of customisation is high as well as being highly visible to the client.

3.1.3 Heterogeneity

As services are intangible, and are produced and consumed simultaneously, it is not possible set up production lines to deliver an identical service each time. It could also be argued that the quality cannot be controlled, as by the time the customer has received the poor service, it is already too late. It cannot be "repaired" or rectified *prior* to delivery (which is the aim of quality control) as there is no gap between the production of the service and its consumption. Services are thus heterogeneous; in other words, they vary in output. However, some aspects of services *can* be managed to overcome the problems caused by service heterogeneity, such as standardisation, variability and service quality.

3.1.3.1 Standardisation

Some managers are reluctant to standardise service activities because they believe that this tends to mechanise interaction between individuals. In some circumstances this may be true. But managers should nevertheless still look for opportunities to produce service activities as uniformly as possible in order to benefit from economies of scale and scope. Consider a professional such as an attorney, who has at his disposal hundreds of protocols and other standard documents, on which only the salient details need to be changed. Similarly, contract cleaning

cleaning staff can be taught the most efficient routines when cleaning a client's premises.

3.1.3.2 Variabilty

Managing variability, or even reducing it, is another way of managing the problems of heterogeneity. For example, the use of cleaning machines can be managed - and service personnel given little discretion with no room allowed for mistakes. In Kleen Co's case, this could be achieved by providing cleaning staff with explicit instructions on how to clean a particular premises. Alternatively, by empowering service personnel to correct problems on the spot, any problems caused by service variability can be remedied immediately (in Kleen Co's case, cleaning staff would need to be trained in this area).

3.1.3.3 Service quality

Heterogeneity means that quality is harder to control. Service quality needs to be carefully managed - and for it to be managed, it needs to be measured. This requires certain skill and experience, as the test for quality becomes more subjective the closer one gets to a pure service.

3.1.4 Perishability

Because they are produced and consumed simultaneously, services cannot be stored. This makes them perishable: services cannot be inventoried. To understand and minimise the effects of service perishability, both supply and demand need to be managed.

3.1.4.1 Supply

Managing supply in a service environment requires the organisation of all factors of service production that affect the customer's ability to acquire and use the service. It includes attention to such things as operating hours and staffing, and involvesdecisions as to how many customers will be able to use the service at any particular time. One way to manage supply is to get the customer to take control of it, or "own" it. In this, some service firms have been very successful in recent years. They sell customers the service for years in advance; if customers do not use it, it is their problem and not that of the service firm. However, the recent demise of the Health & Racquet Clubs may be an exception to this principle and more proof that one cannot in fact "own" a service.

3.1.4.2 Demand

Certain aspects of the service's marketing mix, such as promotions, pricing and service bundling, can be used to stimulate or dampen deman. As most service businesses are characterised by a high fixed cost component as a proportion of the total cost structure, even extremely low prices may sometimes be better than nothing, if the service would perish anyway. An example of this is air tickets that are heavily discounted in order to fill a flight that must take off, whether it is full or not. Finally, service bundling allows the value to the customer to far exceed what the customer would have spent on buying each component of the bundle individually, even if the customer would not in the normal course of events have bought the added value in its unbundled state.

3.1.5 Lack of ownership

In contrast with a customer's use of a product, service customers usually have access to, or use of, a facility only where a service is performed. Payment for the service is thus for access only, and no tangible ownership results from the exchange. The buy-out of the Health & Racquet Clubs and the subsequent loss of membership by "owners" (including debenture holders) proves the point.

The findings of Clemes, Mollenkopf and Burn (2000) show that service organisations in particular experience the following marketing problems:

- difficulty in diffusing the service;
- protecting their services from being copied by competitors and new entrants to the market;
- stopping customers negatively affecting the service experience of others around them;
- being seen as the whole service and not just as a "supplier";
- synchronising supply and demand; and
- inventorying their services.

The extent to which service organisations experience these and related problems depends on the type of service they offer. Silvestro *et al* (1992) differentiated between these organisations, categorising them as professional services, service shops or mass services, and defining them.

Professional services: organisations with relatively few transactions, highly customised and process-oriented, with relatively long customer contact times. Most of the value added is in the front office, where considerable judgement is applied in meeting customer needs. Such organisations include consultants, corporate banks, doctors and architects.

Service shops: this category falls between professional and mass services. They provide a moderate degree of customisation for their clients, and give employees discretion. They have a mixture of people and equipment, and value is added in both the front and back office. Such organisations include retail banks, rental services and hotels. Kleen Co would fall into this category as it fits the right profile: the level of customisation is moderate (although different premises are cleaned differently, the action of cleaning is fairly standardised); staff have a moderate degree of discretion in that Kleen Co does not directly supervise their actions (this is done by the client); there is a mixture of cleaning staff and equipment; and administration (back office) offers value by making it possible for the client to outsource by evaluating and costing their cleaning requirements accurately, while the front office delivers the service.

Mass services: these organisations deal with many customer transactions, involving limited contact time and little customisation. The offering is predominantly product-orientated with most of the value being added in the back office and little judgement applied by front office staff. Such organisations include telecommunications services, bus services, and fast food oulets.

Clemes, Mollenkopf and Burn (2000) found that these different service organisations experienced marketing problems to varying degrees.

Professional services: five marketing problems arising from intangibility and heterogeneity, are encountered by professional services to a greater extent than other services. They have greater difficulty in:

1. displaying/communicating their services;
2. calculating costs accurately;
3. setting prices;
4. promoting their services; and
5. controlling service quality.

Service shops experience marketing problems to a lesser degree than professional services but to a greater degree than mass services. However, one marketing problem in particular distinguishes service shops from the other types of service: the problem of whether to involve consumers in the production process of services. This may be because of the number of customers involved in a "routine"-type service process at any given time. Service shops have moderate levels of customisation, customer contact time and employee discretion. Customers of service shops may demand a higher level of customisation than the organisation is prepared to offer and/or employees are capable of providing.

In contract cleaning where the cleaning staff takes instructions from the client, the client may make increasing demands on the cleaning staff without referring to the supplier. This will invariably lead to an increase in costs (more staff will be required to do more than what was originally agreed) or dissatisfaction on the part of the client (to avoid employing more people, instructions that do not fall within the scope of the cleaning contract will have to be ignored by the cleaning staff). In addition, managers of service shops may require a lower level of employee discretion than the level desired by their customers.

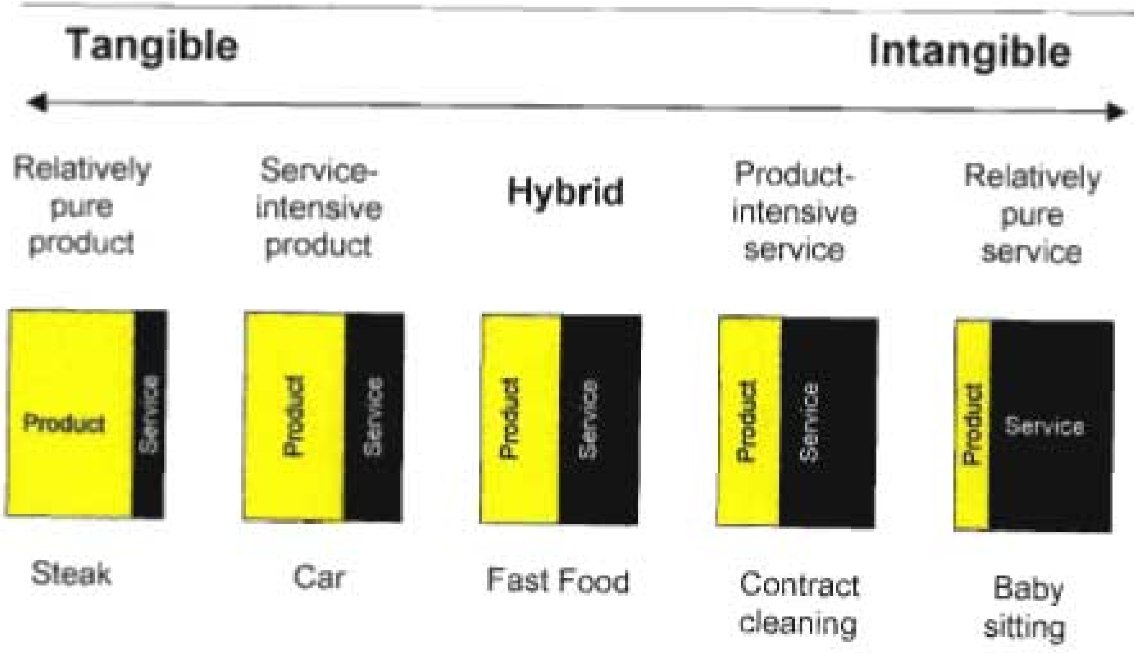
Mass services are distinct from both the above, as they experience less difficulty with marketing problems arising from intangibility and heterogeneity. Findings by Clemes, Mollenkopf and Burn (2000) indicate that mass services have the fewest problems displaying/communicating their services, calculating costs, setting prices, promoting their service, and controlling quality. The findings suggest further that mass services find it easier to mass produce their services in centralised locations. One exception is that mass services experience the problem of "customer control" to a greater extent than both professional services and service shops. The reason for this is not be clear, but it may be because consumers are not heavily involved in the production of a mass service. As these services tend to be more standardised than customised, customers may feel they lack control over the service process.

The marketing problems arising from the special characteristics of services need to be manage; failure to do so leads to deteriorating levels of perceived service quality, and ultimately a loss of profitability for service organisations. Given the focus of service organisations on creating and maintaining customer relationships, a decline in perceived service quality is likely to inhibit the formation and durability of such relationships (Clemes, Mollenkopf and Burn (2000).

3.2 Services are not different

An alternative perspective on services offered by Pitt (1998) is that products and services are *not* different. He argues that customers do not really purchase products and services: they buy the satisfaction of wants or needs, solutions to problems, performances and experiences. It follows, then, that products and services are not different, and that all purchasing and consumption occurs along a spectrum of tangibility, ranging from very tangible at one extreme, to very intangible at the other. Shostack (1977: 73-80) created this spectrum in order to identify to what extent a product or service is "pure".

Figure 3.4 Tangibility of services and products



Pitt, L. 1998. Marketing for Managers. Cape Town: Juta. 187

According to Pitt (1998: 188), one phenomenon is becoming increasingly common: a movement from the ends of the spectrum towards the middle.

The reason, he mentions, is that firms realise that there is much to be gained by differentiation and adding value. However, there are also strategic perspectives to be gained in considering moving towards the ends of the spectrum, either by capturing the undefended territories previously held by competitors, or by using it to protect one's own market.

In this regard, Kotler (2000: 436) maintains that service companies face two main tasks – increasing competitive differentiation and service quality.

3.2.1 Managing differentiation

Service marketers of commodity-type services, (such as travel, energy, communications and contract cleaning) find it difficult to differentiate their services. To the extent that customers view such services as being fairly homogeneous, they care less about the provider than the price. The extent to which this holds for Kleen Co is revealed by the survey. The alternative to price competition is to develop a differentiated offer, delivery or image.

The offer can include innovative features or add-ons to the primary service, such as use of the Web to offer an instantaneous point of contact that was not previously possible. While innovations are easily copied, the company that regularly introduces them will gain a succession of temporary advantages over competitors.

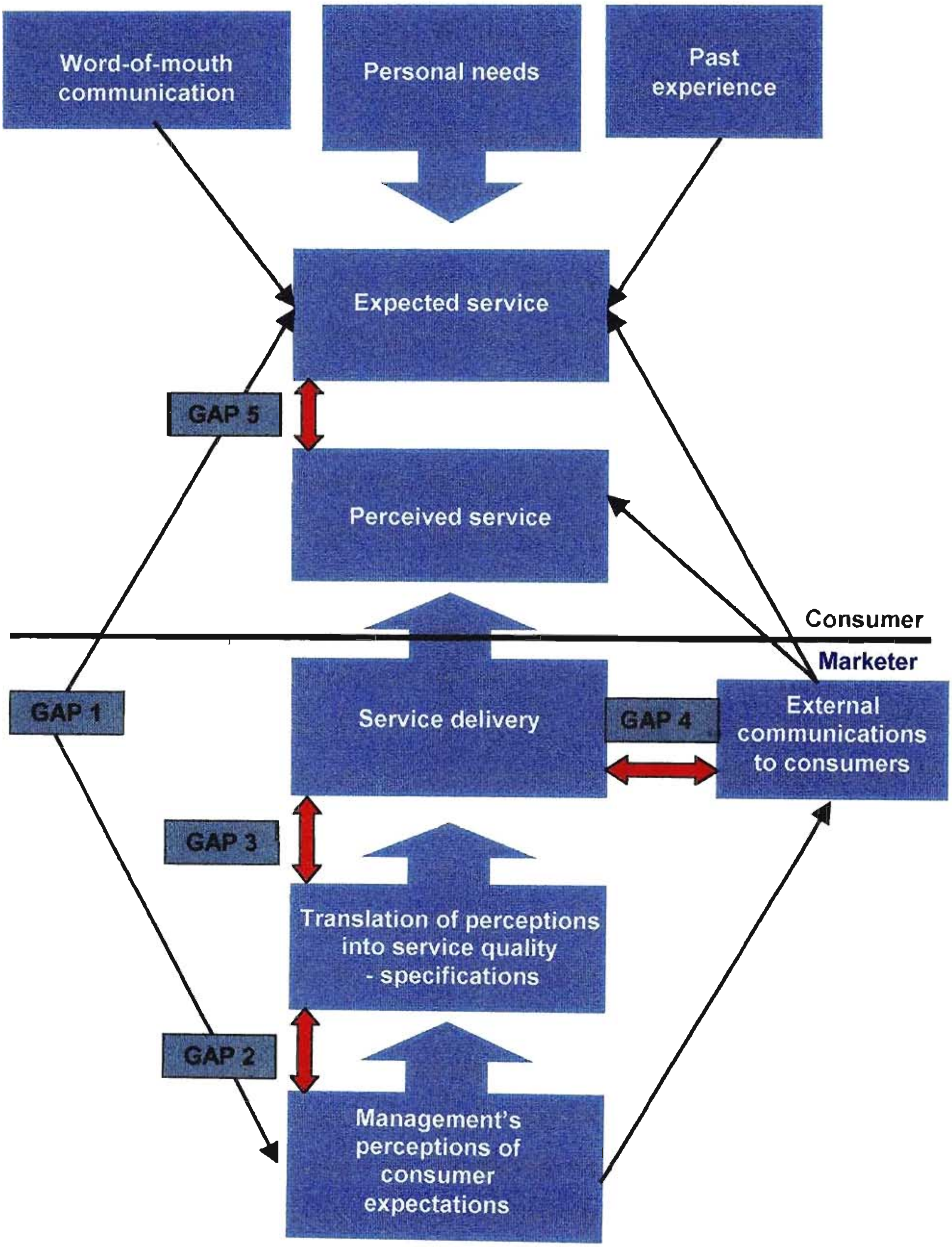
Hiring and training better people, who are prepared to go beyond what would ordinarily be expected of them, can radically improve the company's service delivery, especially if there is a high level of company-client interaction.

Finally, the image of the company can help to differentiate it from itscompetitors through the use of symbols and branding, especially if it is a subsidiary of a well-known holding company (as is the case for Kleen Co).

3.2.2 Managing service quality

After receiving the service, customers compare the *perceived* service with the *expected* service. If the perceived service falls below the expected service, customers lose interest in the provider. If the perceived service meets or exceeds their expectations, they are likely to use the provider again. Parasuraman, Zeithaml and Berry (1985: 41-50) formulated a service-quality model that highlights the main requirements for delivering high service quality:

Figure 3. 5 Service quality model



Kotler. P. 2000. Marketing Management. Millenium Edition. Upper Saddle River: Prentice Hall: 439

This model identifies five gaps that lead to unsuccessful delivery:

Gap (1) is between consumer expectation and management expectation. Management does not always correctly perceive what customers want. For example, the owner of a budget hotel, requiring a high standard of cleaning, is presented with a low-cost "budget" cleaning option as a result of misinterpreting the clients requirements on the basis of the type of hotel rather than on the client's actual (unstated) preference.

Gap (2) between management perception and service-quality specification. Management might correctly perceive what the customer wants, but not the performance standard required. For example, the service supplier may provide the client with a more expensive cleaning contract, but then fail to ensure that the high level is achieved.

Gap (3) is between service-quality specifications and service delivery. Personnel may be poorly trained, or incapable or unwilling to meet the required standard. Or they may be subjected to conflicting standards, such as providing superior service delivery - but at a low cost. For example, the cleaning staff may have been trained in how to clean a factory or a shopping centre, and then moved to a new client in a different environment, such as a hospital, which requires a higher level of cleaning.

Gap (4) is between service delivery and external communications. Statements made by company representatives and advertisements affect consumer expectations. For example, the marketing department must be briefed by those in operations in order to ensure that what it promises is deliverable.

Gap (5) is between perceived service and expected service. This occurs when the consumer perceives the service quality to be lower than expected.

The same researchers (Berry and Parasuraman, 1991: 16) found five determinants of service quality; they are listed below in order of importance.

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

In the survey for this research, these determinants of quality were not mentioned individually, as other factors also had to be surveyed, such as price of the contract, customer service, innovativeness of cleaning methods, assessment of the client's cleaning requirements, and consistency of the quality of the cleaning.

3.3 The Importance of Segmentation

Schiffman and Kanuk (1994) suggest eight ways to segment a market: geographical, demographical, psychographic, sociocultural, use-related, use-situational, benefit and hybrid segmentation. Recent research on segmentation in services has focused on the needs or benefits sought by the customer. The underlying advantage of this approach is that it enables a service provider to implement different marketing strategies for different segments by offering unique benefits sought by the members of each segment. The diagnostic value of this approach is that service providers can implement different marketing strategies to meet the expectations of different market segments.

In evaluating these segments, Kotler (2000: 274) suggests that the firm should look at two factors: the overall attractiveness of this segment and objectives and resources of the company.

First, the company must ask whether a potential segment has characteristics that make it generally attractive, such as size, growth, profitability, economies of scale, and low risk.

Second, the company must consider whether investing in the segment makes sense in the light of the firm's objectives and resources. Some segments could possibly be dismissed because they do not mesh with the company's long-term objectives, others if the company lacks one or more of the competencies needed to offer superior value.

McDonald (1999: 131) believes that, in today's highly competitive world, few companies can afford to compete on price alone, for the product has not yet been made that someone, somewhere, cannot sell more cheaply. Companies must therefore find a way of differentiating themselves from the competition, which requires careful market segmentation.

The main aim of market segmentation is to enable a firm to focus its efforts on the most promising opportunities. Segmentation allows a company to either define its market broadly enough to ensure that its costs for key activities are competitive through economies of scale and scope, or to define its markets in such a way that it can develop specialised service skills to overcome a relative cost disadvantage. Both have to be related to the company's specific competence and to that of its competitors.

Diaz-Martin *et al* (2000) hold that, in order to satisfy the needs of their customers more successfully and reach them in the most effective way, service companies should identify groups of customers with homogeneous characteristics and behaviours and try to adapt their offer as far as possible to the unique needs and desires of the segment members. The traditional criteria for classifying demographic, socio-cultural and geographical variables, have been shown to be less than ideal, and are "...in general, poor predictors of behaviour and, consequently, less than optimum bases for segmentation strategies" (Haley: 1995). They propose other criteria, better able to explain differences in consumer behaviour, namely what customers *expect* of various service attributes. This is discussed in more detail below.

As the goal of market segmentation is to identify common purchasing characteristics amongst a company's best clients best clients, this in turn allows service companies to market their services more effectively by focusing on criteria that both new and existing clients consider important. McDonald (1999: 132) identifies the objectives of market segmentation as being:

- to determine marketing direction through the analysis and understanding of trends and buyer behaviour;
- to determine realistic and obtainable marketing and sales objectives; and

- to improve decision-making by forcing managers to give in-depth consideration to the available options.

Furthermore, according to Kotler (2000: 274), to be useful, market segments must be:

- *measurable*: the size, purchasing power, and characteristics of the segments can be measured.
- *substantial*: the segments are large and profitable enough to qualify for service. (A segment should be the largest possible homogeneous group worth pursuing with a tailored marketing plan).
- *accessible*: the segments can be effectively reached and served.
- *differentiable*: the segments are conceptually distinguishable and respond differently to different marketing-mix elements and programmes.
- *actionable*: effective programmes can be formulated for attracting and serving segments.

Having evaluated different segments, the company can consider five patterns of target market selection as identified by Abell (1980: 192-196). The company may select a single segment where, through concentrated marketing, the company acquires substantial knowledge of the needs of that segment and achieves a strong market presence. Furthermore, by specialising its service delivery, the company economises on operating costs. If it attains segment leadership, the company can earn a high return on its investment.

However, concentrated marketing involves above-average risks as a particular segment can turn sour, or a competitor may invade the segment. Many companies prefer to operate in more than one segment. The company may follow a pattern of *selective specialisation,* whereby a number of objectively attractive and appropriate segments are pursued. There may be little or no synergy amongst the segments, but each segment promises to be profitable. The advantage of this multi-segment coverage strategy is that it diversifies the firm's risk.

The company may also specialise in providing a certain service that it sells to several segments. Through a *product specialisation* strategy, the company builds a strong reputation in that specific service area. In this case there is the risk of a new managerial mindset that, for example, may reverse earlier decisions to outsource non-core functions such as cleaning.

With a *market specialisation* approach, the company concentrates on serving as many needs as possible of a particular consumer group. The company will acquire a strong reputation in this group, but is at risk in that the customer group may decide to cut its budget or reduce its spend with the service provider for some other reason.

By attempting full market coverage, a company attempts to provide all customer groups with all the services they may need. Only very large firms can adopt this marketing strategy, which may be either differentiated or undifferentiated.

In undifferentiated marketing, the company ignores market-segment differences and pursues the whole market with one service offering that will appeal to the broadest number of buyers. The narrow range of service offerings means cost reductions that can be passed on to customers in order to win in a price-sensitive market.

In differentiated marketing, the company operates in several market segments and designs different programmes for each one. Differentiated marketing typically results in higher total sales than undifferentiated marketing, but also increases the cost of doing business. The following are likely to be higher: service modification and delivery costs, administrative costs, inventory costs and promotion costs. Because differentiated marketing leads to both higher sales and higher costs, it is not possible to generalise about the profitability of this strategy. Companies should be cautious about over-segmenting their market; if this does happen, they may need to turn to counter-segmentation to broaden their customer base.

McDonald (1999: 111) considers market segmentation to be the best way for any company to gain a differential advantage over its competitors. This advantage is gained three stages:

1. take a detailed look at the way the market operates and identify the requirements of the client;
2. answer the question "*Who* is buying *what*?";
3. ask "*Why* are they buying what they buy?"

McDonald (1999: 125) identifies two principal theories of customer behaviour.

One refers to the rational customer, who seeks to maximise satisfaction or utility. This customer's behaviour is determined by the use derived from a purchase at the margin compared with the financial outlay and other opportunities foregone. While such a view of customers provides some important insights into behaviour, it must be remembered that many markets do not work this way as are many examples of demand growing with every price increase.

The other view of customer behaviour, that helps to explain this phenomenon is the view of a psycho-socio customer, whose attitudes and behaviour are affected by family, work, prevailing cultural patterns and life style. In business-to-business marketing, however, the rational customer prevails since business decisions are made more objectively than personal ones.

In business-to-business marketing, databases that include the purchasing behaviour of each client are often available, and can identify who the clients really are in terms of total profitability to the company. The need for customer research is most apparent when determining who buys what and why. The answer to *who* and *what* can usually be found by analysing client records, but finding out *why* requires research.

3.4 Bases for segmentation

3.4.1 Expectations

In an environment of intensified competition and increasingly segmented demand, Diaz-Martin *et al* (2000) considered using what customers expect regarding various service attributes as a base for segmentation. This was suggested as an alternative to traditional grouping variables. However, according to Parasuraman *et al* (1991), expectations can vary from one consumer to another, from one situation to another for the same individual, or even regarding different attributes of a single service. These expectations depend on:

- explicit promises made in advertising or in a contract;

- implicit assumptions (usually quality) gained from the price paid for a service;
- word-of-mouth communications;
- past personal experience;
- personal requirements; and
- personal factors that increase customer sensitivity to service, such as the need for special treatment because of a personal emergency.

Diaz-Martin *et al* (2000) found that the aspects of which the customer has highest expectations are usually those which have the greatest influence on their satisfaction. Once people have been segmented according to expectations, companies should try to understand thoroughly the individuals who make up each segment, by analysing the effect of different service elements on their satisfaction. However, caution is needed, as expectations depend not only on personal preferences, but also on factors such as word-of-mouth recommendations or promises made by the providers.

The diagnostic value of using expectation has been challenged by some service quality and customer satisfaction researchers. Recent studies tend to discredit the use of expectation in measuring customer satisfaction. Iacobucci *et al* (1994) suggest that some customers can be unrealistic and demanding. Carman (1990) also questions the practical significance of the expectation component when customers have no well-formed expectations. This is especially true when some products or services have a low level of involvement, as in the case of utility services (or even a contract cleaning company). In such cases, customers do not have frequent or close contact with the service provider unless there is some kind of problem. It is important to distinguish between cleaning staff on the one hand and the service provider as a company – there might be frequent contact with the cleaning staff, but not enough with management. Formation of expectation is therefore less obvious. Oliver (1989) argues that customers may not have expectations of continuously provided services, such as utility services or long-term cleaning contracts. In some cases, respondents may assign different meanings to the term "expectation", ranging from a reasonable "hope" to a totally unrealistic "wish".

3.4.2 Attributes

Woo (1998) states that the underlying principle of using importance measures is that different segments are assumed to attach different degrees of importance to different attribution of service quality. This would involve the identification of particularly demanding segments to which a service provider must pay attention. Although it is tempting to use attribute importance as a basis for benefit segmentation, there are several arguments against it.

Oliver (1999) makes the point that the concept of importance is ambiguous and unreliable. Problems arise when there are potential misinterpretations - either by the respondent *vis-à-vis* the survey or by the researcher *vis-à-vis* the respondent. It is also not clear whether the attribute is important because it is present or absent. Rather like a no smoking sign, its presence or absence is equally important to smokers and non-smokers, but for different reasons.

3.4.3 Perceptions

Woo (1998) notes that studies into market segmentation research have used either client's expectations or the importance of service quality. However, there are limitations in using these as bases for market segmentation. Cronin and Taylor (1992) suggest that judgements regarding service quality are affected solely by perceptions of actual performance. Carman (1990) also shows that, in some cases, clients may not know what to expect from service providers if they have not had any prior experience. Clow and Vorhies (1993) also found that if one measures customer expectations after the delivery of the service, they may be coloured by the actual perceptions.

For these reasons, Woo (1998) argues against the use of customers' expectations and the importance of quality attributes as bases for market segmentation in services. Instead, he proposes an alternative quality perception-based approach where service quality is judged solely by actual perceptions.

He bases his argument for using perception-based market segmentation on three reasons:

1. the use of a perception-based approach is consistent with the recent literature that service quality is solely affected by perceptions;

2. it not only solves the problem about the existence of customers' expectations, but also reduces uncertainty when interpreting the meaning of expectation and importance by respondents;

3. the whole research process is easy to understand and can easily be replicated by both academics and practitioners.

3.4.4 Benefits

Pitt (1998: 52-55) suggests another way of segmenting markets: by determining the benefits that the potential customer is looking for. Not all consumers require the same benefits from the same kind of service. If it were possible to identify the prime benefits sought by a particular customer from a product, it would also be possible to target the product such a way that it would appeal to that particular "benefit segment". In the Kleen Co survey, the possible benefits sought included savings achieved by outsourcing, a need for specialised cleaning, adherence to company policy of outsourcing non-core functions, and a reduction in labour problems.

McDonald (1999: 126) holds that the most useful and practical way of explaining customer behaviour is benefit segmentation, i.e. the benefits sought by customers when they buy a service. Understanding this helps to organise the marketing mix in the way most likely to appeal to the target market. A company must undertake a detailed analysis to determine the full range of benefits they have to offer customers. In other words, what problem is Kleen Co solving when it offers to do a company's cleaning?

Finally, rather than treating customers as a homogeneous group, the identification of actual performance shortfalls by segments provides an opportunity to optimise the use of resources and marketing efforts when service providers are crafting improvement and recovery strategies.

3.5 Quality: what is it?

The quality of services (or products) is central to the marketing strategy of any business. While quality may be relative to price, poor-quality products or services will not survive for long, regardless of how inexpensive it may appear. Rust, Danaher and Varki (2000) found that the importance of quality to business outcomes was well established in the academic literature, and that higher quality results in higher share prices, higher corporate performance and higher market value of the company.

They also further found that the way in which service improvement efforts yield increased revenues is usually a chain of events:

1. The effort to improve service first improves the perception of service, typically measured as customer satisfaction, service quality, disconfirmation or service performance.
2. The perception of customers that service has improved contributes to an improvement in the overall evaluation of service.
3. This improvement leads to changes in intention, such as intention to repurchase or increase usage, willingness to recommend to others, or price tolerance.
4. Changes in intention have an impact on behaviour: The customer may repurchase or be retained, he may provide positive word-of-mouth, and increase usage.
5. Such behaviour on the part of the customer has a direct and positive effect on the bottom line.

What Rust, Danaher and Varki (2000) found to be missing in the literature is any recognition that comparison with competitors has an important role to play. Buying and repurchase decisions are not made in a competitive vacuum. If a competitor offers a comparatively lower price, for example, then a customer may be tempted to switch, even if they are currently satisfied. Likewise, if a competitor establishes a reputation for high quality and customer satisfaction, that too may tempt a customer to switch.

The implication of this, according to Rust, Danaher and Varki (2000), is that information about service quality can be used to create competitive marketing decisions. Price may more commonly be regarded as a tactical marketing weapon, but it is possible that service quality can also be used to produce rapid results. For example, a contract cleaning company may be able to deploy additional workers very quickly, or ask its current workforce to work overtime. In such cases the quality of service would probably improve, as the client's need for extra cleaning staff would be quickly satisfied. Indeed, service quality could well be used as a response to a competitor's price cut; either the supplier could offer better value at the same price, or provide "emergency" cleaning services at a premium.

While Parasuraman *et al* (1988) measured service quality across five dimensions, (tangibles, reliability, responsiveness, assurance, and empathy) regardless of how one measures or defines quality, Robinson (1999) notes that service quality is an attitude to or global judgement about the superiority of a service, although the exact nature of this attitude has not been defined. Some researchers (Parasuraman *et al*: 1988) suggest that it stems from a comparison of expectations with performance perceptions (disconfirmation), while others (Teas: 1993) argue that it is derived from a comparison of actual performance with ideal standards, or from perceptions of performance alone (Cronin and

Taylor: 1992). In the survey, clients of Kleen Co were asked both their expectations and perceptions of the service they received.

Zeithamel (1981: 186-190) found that, for some services, clients could not judge the technical quality even *after* they had received the service. This is the case for Kleen Co, which is responsible for maintaining the sterility of operating theatres for their hospital clients. A theatre may *look* clean, yet may in fact be infested with microscopic, invisible germs. The more a client considers something to be a "grudge purchase", the harder it is for him to evaluate the service objectively. Furthermore, because services are generally high in experience and what Iacobucci and Ostrom (1995: 17-28) call credence qualities (those characteristics the buyer normally finds hard to evaluate even after consumption), the purchase is risky. The prospective client will therefore tend to rely on word-of-mouth rather than advertising, as well as on cues such as price, calibre of personnel and other physical cues to judge quality. Therefore, while it may be difficult to attract new clients, once they do become clients, they become very loyal to service providers who satisfy them.

3.6 Why measure customer satisfaction, value and loyalty?

Kotler (2000: 34) maintains that customers will buy from the company that they perceive offers the highest customer value. Customer-delivered value is the difference between total customer value and total customer cost. Total customer value can be described as the bundle of benefits customers expect from a given service. Total customer cost, on the other hand, is the bundle of costs customers expect to incur in evaluating and obtaining the service.

While buyers may operate under various constraints and occasionally make choices that give more weight to their personal benefit than to the company's benefit, the maximisation of delivered-value maximisation is a useful framework that applies to many situations.

The seller must assess the total customer value and total customer cost associated with each competitor's offer to know how his or her own offer rates in the buyer's mind.

The seller who is at a delivered-value disadvantage has two alternatives; increase total customer value or decrease total customer cost. The former calls for strengthening or augmenting the seller's service, personnel and image. The latter calls for reducing the buyer's costs by reducing the price, simplifying the delivery process, or absorbing some of the buyer'srisk by offering a warranty.

Whether the buyer is satisfied after purchase depends, according to Kotler (2000: 36), on the seller's performance of the offering in relation to the buyer's expectations. Satisfaction is the feeling of pleasure or disappointment that results from comparing a product's perceived performance with expectations. If performance matches expectations, the customer is satisfied. If performance exceeds expectations, the customer is extremely satisfied. The extent to which Kleen Co's clients experience this disconfirmation is revealed by way of relative preference mapping.

Many companies aim for high satisfaction because customers who are simply "satisfied" find it easier to switch when a better service is offered than when they are "extremely satisfied". High satisfaction is what creates the emotional bond that results in high customer loyalty. Buyers base their expectations on past experience, advice, and marketers' and competitors' information and promises. The higher marketers raise the expectations of their customers, the greater the likelihood that the buyer will be disappointed.

According to Lanning (1998), the key to generating high customer loyalty is to deliver high customer value. In order to achieve this, a company must develop a competitively superior value proposition and a superior value-delivery system.

A company's value proposition is much more than its positioning on a single attribute; it is a statement about how the customer will experience the offering and their relationship with the supplier. The brand or company must represent a promise about the total resulting experience that customers can expect. Whether the promise is kept depends upon the company's ability to manage its value-delivery system. The value-delivery system includes all the communication and channel experiences the customer will have on the way to obtaining the offering. These will include the impression made by the company on first contact, how easy it is to conclude the contract, the level of subsequent communication, and finally delivery of the service.

A similar theme is emphasised by Knox and Maklan (1998). Too many companies create a value gap by failing to align brand value with customer value. Brand marketers try to distinguish their brand from others by means of a slogan or unique selling proposition, or by augmenting the basic offering with added services. But they may be less successful in delivering customer value, primarily because their marketing people focus on brand development. Whether customers will actually receive the promised value proposition will depend upon the marketer's ability to influence various core processes. Knox and Maklan (1998) suggest that company marketers should spend as much time influencing the service delivery as designing the brand or company profile. In other words, marketers must work at ensuring that their promises are kept by those in operations.

Kotler (2000: 37) identifies the four methods of tracking customer satisfaction as follows: complaint and suggestion systems; customer satisfaction surveys; ghost shopping; and lost customer analysis. However, although the customer-centered firm seeks to create high customer satisfaction, its main goal is not to maximise customer satisfaction at all costs. Rather, it is to deliver a high level of customer satisfaction subject to delivering acceptable levels of satisfaction to the other stakeholders within the constraints of its total resources.

Kotler (2000:40) has the following caveats regarding reported customer satisfaction. When customers rate their satisfaction according to an element of the company's performance, the company needs to recognise that customers vary in how they define good delivery. It could mean early delivery, on-time delivery, order completeness and so on. Yet if the company were to spell out every element in detail, customers would face a huge questionnaire. Invariably, a survey is not a solution to a problem, but a diagnostic tool. If done properly, a survey will identify those areas that require further investigation.

The company must also realise that two customers may report being "highly satisfied" for different reasons. One might be easily satisfied most of the time and the other might be hard to please but was pleased on this occasion. Companies should also note that managers and salespeople can manipulate customer satisfaction ratings. They can be especially nice to customers just before the survey. They can also try to exclude unhappy customers from the survey. Another danger is that, as customers know the company will go out of its way to please customers, some may express high dissatisfaction (even if satisfied) in order to get more concessions. Nevertheless, the best way to find out what your customers think is simply to ask them.

3.7 Customer Retention

It is not enough to be good at attracting new customers; the company must keep them. Marketers know that it is far easier to sell to an existing client than it is to find a new one. Kotler (2000:47) outlines five steps in trying to reduce the defection rate of customers to competitors.

1. The company must define and measure its retention rate.

2. The company must distinguish the causes of customer attrition and identify those that can be managed better. This analysis should start with internal records and external customer survey results.

3. Research needs to be done into outside sources, such as benchmarking and statistics from trade associations. Questions would include finding out whether defections happen at different rates at different times of the year, by region or sales representative; relationship between retention and changes in prices; where lost customers go; and what the retention norms are for the industry. Not much can be done about customers who leave the region or go out of business, but plenty can be done about customers who leave because of poor client service, shoddy service offerings, or high prices. The company needs to examine the percentage of customers who defect for these or different reasons, and then be proactive about it.

4. The company needs to estimate how much profit it loses when it loses customers, in terms of the lifetime value of a customer who defects prematurely.

5. The company needs to work out how much it would cost to reduce the defection rate. As long as the cost is less than the profit, the company should spend that amount to reduce the defection rate.

Although it may seem that companies simply need to listen to their customers, this may not be enough. The company must respond quickly and constructively to the complaints. Albrecht and Zemke (1985: 6-7) found:

> Of the customers who register a complaint, between 54% and 70% will do business again with the organisation if their complaint is resolved. The figure goes up to a staggering 95% if the customer feels that the complaint was resolved quickly. Customers who have complained to an organisation and had their complaints satisfactorily resolved tell an average of five people about the good treatment they received.

Rust, Zahorik and Keiningham (1994) insist that companies must monitor the retention rate of their clients, in particular:

- the extent of company switching by clients in the market;

- the rate of entry of new customers into the market;
- the percentage of customers that are new to the market that are attracted to the company; and
- the percentage of customers and clients that exit the market.

This is important because a company improves its market share by attracting new customers at a rate greater than its percentage of market share, and/or by increasing its retention rate as a result of improving client satisfaction levels through improved quality. However, if one assumes that the company's attractiveness to new clients is unrelated to the satisfaction levels of existing clients, the only way to maintain current market share through client satisfaction is by raising the company's retention rate through increasing client satisfaction. This is particularly true in instances where the service supplier does not rely heavily on word-of-mouth or referrals to gain new customers.

According to Kotler (2000: 48), the key to customer retention is customer satisfaction. A highly satisfied customer stays loyal longer, buys more as new services are introduced, talks favourably about the company, pays less attention to competitors, offers suggestions and costs less to serve as transactions are routinised.

Kotler (2000: 49) lists two ways to strengthen customer retention. One is to erect high switching barriers. Customers are less inclined to switch to another supplier when this would involve high capital costs, high search costs, or the loss of loyal-customer discounts. The better approach is to deliver high customer satisfaction. This makes it harder for competitors to overcome switching barriers by simply offering lower prices or switching inducements. The task of creating strong customer loyalty is called relationship marketing, and embraces all those steps that companies undertake to know and serve their valued customers better.

3.8 Concluding remarks

When considering bases for segmentation, whether it be expectations, perceptions, attributes or benefits, the main aim must be to enable the company to focus its marketing efforts on the most promising opportunities. Marketing resources, like all commercial resources, are limited, and as such must be used in the most effective and efficient manner as possible.

With regard to customer satisfaction, Caruana and Pitt (1997) have devised a checklist that enables managers to assess their firms' service reliability without the need for external customer surveys (see appendix 10). Reliability was found by the authors to be the most important aspect of service quality (32%), followed by responsiveness (22%), assurance (19%), empathy (16%) and tangibles (11%). The aim of the checklist is to give firms an awareness of what contributes to reliable service; it concentrates on corporate mission and culture, customer focus, training and management development, communications, and service planning.

Kotler (2000: 440) holds that excellently-managed service companies have the following practices in common: a strategic concept that is "customer obsessed"; a history of top-management commitment to service quality; appropriately high standards that offer a breakthrough in service; systems for monitoring service performance and customer complaints, such as service audits and customer surveys; and an emphasis on employee satisfaction.

According to Tax and Brown (1998: 75-88), companies that encourage disappointed customers to complain achieve higher revenues and greater profits than those that do not have a systematic approach for addressing service failures. They found that companies that are effective at resolving complaints share the following characteristics:

- They develop hiring criteria and training programmes that take into account employees' service recovery role;
- They develop guidelines for service recovery that focus on achieving fairness and customer satisfaction;
- They remove barriers that make it difficult for customers to complain, while developing effective responses, which may include empowering employees to provide compensation for the failure; and
- They maintain customer and product databases that allow the company to analyse the types and sources of complaints and adjust its policies.

That customer satisfaction is central to the well-being of any company is undisputed, but identifying market segments accurately is also essential to the company's future growth and survivability in a competitive environment.

4 THE RESEARCH DESIGN

4.1 Defining the management problem

The management problem was initially articulated in general terms, with the overall purpose being to carry out a customer analysis and satisfaction survey. However, following several meetings with the company administrator, the study evolved into an analysis of customer purchasing behaviour and characteristics across the various industries that the company served. Essentially, then, the study was aimed at determining why their customers purchased from them in the way that they did.

One reason for the shift in focus was that the company continually monitors customer satisfaction through random telephone surveys, and the possibility of discovering something new was not very great. Furthermore, customers' expectations, perceptions and regard for the attributes of a contract cleaning service were sought. These were issues that had not been investigated before, and promised to be a new and effective marketing tool for Kleen Co.

The identifying characteristic of a survey interview is a fixed questionnaire with prescribed questions. The major strength of surveys compared with other self-report procedures is broad coverage of the respondent population. This is possible because the relatively low cost of surveys allows the researcher to contact many respondents, and the relatively low demands placed on respondents encourage a high percentage to participate. The major weakness of surveys compared with other self-report procedures is that only limited information can be obtained from each respondent. Deep feelings and hidden motivations cannot be probed deeply. Because of these strengths and weaknesses, surveys provide good data about the population at large but limited data about individual respondents. (Sudman and Blair, 1998: 154).

In this case, the research method used was that of mail surveys. Although often perceived as inexpensive and not requiring interview staff, such surveys also suffer from some major limitations that are discussed further below.

4.2 Pilot testing

The pilot questionnaire was drafted over December 2000 in consultation with the administrator of the company (appendix 12). The pilot test was conducted over three days during the same period. According to Cooper and Schindler (1998: 77), the respondents to a pilot survey do not need to be statistically selected. This ensures that one is able to select respondents that are believed to be the most knowledgeable about the matter being surveyed and therefore able to offer the most input. The test subjects were a convenient sample, drawn to include all the main industry types serviced by the company. These were:

- a private hospital;
- a government subsidised mental care institution;
- a bank;
- a telecommunications provider;
- a shopping centre;
- a building administrator; and
- a beachfront hotel.

The pilot test was done face-to-face between the client and the researcher, with appointments having been set up telephonically before-hand. The pilot questionnaire (appendix 12) was given to the client who was asked to complete it in its entirety and to save any queries for the end. The clients were encouraged to raise questions by assuring them that any ambiguity or lack of clarity in the questionnaire was solely the fault of the researcher, and not a reflection of their cognitive abilities. Once clients had answered the questionnaire, they were probed with open-ended questions in order to elicit further information that might be useful in the survey and that had not been considered when setting the research objectives.

Subsequent to the pilot testing of the survey instrument, the final questionnaire was drafted (see appendix 13). The various alterations that were necessitated are as follows (numbers relate to questions in the *final* questionnaire):

1: the overlap of choice of number of years as a client was a potential cause of confusion amongst the respondents. This was remedied with the use of decimals which, although a bit unusual for years, eliminated any uncertainty.

4: an example of how to answer this question was added to the questionnaire as several pilot respondents were not sure how to answer it.

5: the format was made the same as for question 6 for the sake of uniformity. Questions 5.1 and 5.2 were also altered to better reflect the intention of the question.

6: this question was included in order to evaluate the expectations of clients. Although this was done to a certain extent in question 4 (paired comparison), the format for question 6 had to be the same as for question 7 (evaluation of clients' perceptions of service) as the same scales are needed in order to allow disconfirmation (the difference between expectations and perceptions) to be plotted graphically.

8: the range of the number of times complaints were made was increased substantially, as the options initially offered in the pilot survey was found to be unrealistic for a service company.

4.3 *Sampling method*

In a mail survey, a sample of addresses is drawn from a list and sent out with a covering letter. Some studies begin with an advance notification of the survey, explaining why the survey is being done and the expected benefit that clients can expect once the survey has been completed.

For the survey, Kleen Co sent a notification letter to all clients together with their monthly invoices (appendix 11). According to Sudman and Blair (1998: 162), two weeks after the initial mailing of the questionnaire, a follow-up questionnaire and letter should be sent to non-respondents. Two weeks later, a second follow-up questionnaire and letter should be sent. If the total response is still not satisfactory after the second follow-up, telephone interviews may be used to survey a sample of the non-respondents and measure whether they are different in some way from the respondents.

The questionnaire was sent out to the 150 clients, of which 60 responses were received. The questionnaire was inserted in an unsealed, "seal easy" envelope and distributed to the clients personally by Operations Managers. The instruction on the questionnaire was to place the completed questionnaire into the envelope, seal it, and hand it back to the Operations Manager when he or she next called (Operations Managers are expected to visit their clients at least once a month). The turnaround from delivery of the questionnaire to collection was six weeks.

4.4 Characteristics of sound measurement: validity, reliability and practicality

Sudman and Blair (1998: 163) acknowledge that response rates are a major sampling issue in mail surveys. Mail surveys often have response rates lower than 50 percent, with rates as low as 10 percent for badly done studies. These low response rates create a risk of high non-response bias (i.e., a risk of large differences between data for the overall population of interest and data for those who respond).

4.4.1 Validity

Validity refers to the extent to which a test measures what one actually wants to measure. According to Cooper and Schindler (1998: 216), the "ultimate test of a sample design is how well it represents the characteristics of the population it purports to represent". As such, the *validity* of the sample depends on two considerations: accuracy and precision of estimate. The former refers to the degree to which bias is absent from the sample, and the latter the degree to which the sample represents the population in all relevant respects. Of particular importance to the survey at hand is that of response and non-response bias.

Kannuk and Berenson (1975) found that research efforts to determine the differences between respondents focused on demographic, socioeconomic, and personality variables. The only widespread finding was that respondents tended to be better educated than non-respondents and therefore have greater writing ability. While the level of education of respondents to the Kleen Co survey was not measured, the questionnaire was aimed at those responsible for managing the outsourcing of their cleaning requirements, and as such a reasonable level of education, at the very least, was presumed in this survey.

Sudman and Blair (1998: 163) identified another source of non-response bias in mail surveys with low cooperation rates: that cooperation on mail surveys is influenced by respondents' interest in the topic. In attitude surveys, those who feel strongly about something are more likely to respond than are those who don't care.

As far as precision is concerned, the questionnaire was delivered to the entire client population (150), of which 60 replied (40%). As a result, the possibility of a significant sampling error is remote. These biases become smaller as sample cooperation increases, but they never vanish entirely from mail surveys. Nevertheless, in a commercial survey, a high rate of non-responses may have negative connotations regarding the existing client relationships.

Another sampling problem in mail surveys is the impossibility of ascertaining who the respondent is. In the survey the questionnaires were hand-delivered to the decision-maker. If he or she was not available, they were left with a message to the effect that the Operations Manager would collect it later.

According to Cooper and Schindler (1998: 168), the determination of content validity (the extent to which the questionnaire provides adequate coverage of the topic under study) is judgmental, and may be determined through a careful definition of the topic concerned, the items to be scaled, and the scales to be used. The dissertation proposal, interviews with Kleen Co's administrator, the in-depth questioning of the pilot survey respondents and the drafting of an interim report based on those findings ensured that the final questionnaire covered the topic. Outsourcing factors, the perceptions and expectations of clients and the measurement scales used fulfilled the objectives of the survey.

4.4.2 Reliability

Reliability has to do with the accuracy and precision of a measurement procedure. A test instrument will be reliable if it works well at different times under different conditions. This, according to Cooper and Schindler (1998: 171) is the basis for the frequently used perspective of stability. The instrument will be stable if it can produce consistent results with repeated measurements of the same person with the same instrument.

This is more difficult to do in survey situations than in experimental situations, and requires a test-retest arrangement. This re-testing cannot be done too soon after the initial testing as the respondents will either have remembered their answers, or will have been sensitised to the topic and will seek new information and form new opinions in the period between the tests. The remedy suggested by Cooper and Schindler (1998: 172) namely to extend the interval between test and re-test was not practical in the case of Kleen Co, owing to time constraints, and therefore no test for stability was done. Nevertheless, the relative ease of answering the questionnaire made this requirement to a large extent unnecessary.

4.4.3 Practicality

Operational requirements call for the research project to be practical. Practicality, as defined by Cooper and Schindler (1998: 174) includes economy, convenience and interpretability. This was a prime consideration for Kleen Co in deciding to allow access to its clients. The cost to the company was virtually zero, and the questionnaires were delivered together with monthly invoices. As the interpretation of results is contained in this dissertation, the requirement of practicality is met.

4.5 Encouraging participation

The low response rate often obtained in mail surveys is a major disadvantage of this type of research. While there are few variables that consistently improve response rates, Kanuk and Berenson (1975: 440-453) show that the most important factor in increasing the cooperation rate in mail surveys is the use of effective advance and follow-up procedures, as well as monetary incentives enclosed with the mail questionnaire. Sudman and Blair (1998: 168), maintain that advance notification should be given three to five days before the initial questionnaire mailing, and follow-ups should occur at two-week intervals after the initial mailing. In this case, the questionnaires were hand-delivered four weeks after a letter notifying clients of the survey was posted.

The Total Design Method (TDM) uses the following follow-up procedure in an effort to maximise response rates (from Cooper and Schindler, 1998:307):

- One week later – a preprinted postcard is sent to all recipients thanking them for returns and reminding others to complete and mail the questionnaire.
- Three weeks after the original mailing – a new questionnaire and a letter telling non-respondents that the questionnaire had not been received and repeating the basic appeal of the original letter sent.
- Seven weeks after the original mailing – a third cover letter and questionnaire are sent by certified mail to the remaining non-respondents.

For this survey, advance notification was sent to all of Kleen Co's clients with the February 2001 invoices.

Cooper and Schindler (1998: 307) found that an appeal for cooperation was essential. However, Childers et al (1980: 369) found that appeals presented as a *postscript* did not improve survey responses - they suggest that the appeal be contained in the text. Furthermore, the type of appeal is also important: egoistic and help-the-sponsor appeals are better than social utility appeals. In the survey for Kleen Co, the appeal was both egoistical ("...your valued input") as well as help-the-sponsor ("...on-going commitment to exceptional customer service").

Follow-up mailings are done to boost response. Some people intend to respond but do not get around to it; follow-ups may prompt them to respond. Other people will realise that the questionnaire is important when they see a follow-up, which will motivate them to respond. It is recommended that a new copy of the questionnaire be sent with each follow-up mailing. Reminder postcards are cheaper but ineffective if the respondent has misplaced or discarded the questionnaire. Follow-up material is sent, of course, only to those who have not yet returned the questionnaire. It is necessary therefore to have an identification number on each questionnaire so that it can be logged in when returned. It is useful to explain in the covering letter that the identification number is there to prevent respondents who have returned the questionnaire being sent follow-up letters. (Sudman and Blair, 1998: 170).

Each of Kleen Co's Operations Managers was responsible for recording which customers had returned the questionnaires and following up on those who had not. They did this by marking off on a sheet which clients they had visited and from whom they had received a completed questionnaire. This eliminated the need for coding the questionnaires.

After advance notification and follow-ups, the next most effective method of increasing mail response is to enclose a monetary incentive with the questionnaire. According to Sudman and Blair (1998: 170), monetary incentives increase cooperation by 5 to 10 percent in general population samples. The amount may be nominal, such as a few rand, and the cover letter should make it clear that the money is intended as a small token of appreciation. No monetary incentive had been budgeted for by Kleen Co. Nevertheless, a substantially high response rate was expected as the Operations Managers were to deliver and collect the questionnaires personally.

The covering letter should not imply that the money is provided to compensate respondents for their time, because it does not. Enclosing money with the questionnaire encourages response because many people are reluctant to take the money and ignore the request. As a result, they feel obligated to complete the questionnaire. Promising to send the money later does not work nearly as well, even if the amount is larger, because this tactic does create a sense of obligation. (Sudman and Blair, 1998: 170).

It is standard procedure to enclose a stamped, self-addressed envelope for the respondent to return the completed questionnaire. Stamps are more effective at encouraging cooperation than return envelopes without postage because some respondents are reluctant to waste the postage, or do not want to go to the trouble of finding a stamp (Sudman and Blair, 1998: 170). The questionnaire was delivered and collected by hand (although some clients did fax theirs through). This made postage unnecessary.

Cooperation can be increased slightly with a persuasive covering letter that stresses how participation in the survey will ultimately benefit respondents by improving the goods or services they use. The letter should be kept short, as many respondents will not read a long one. A toll-free telephone number should also be included if respondents have any questions they want to ask. Finally, the actual design of the questionnaire is also of great importance in mail surveys. Questionnaires that look easy and professionally designed will get better responses (Sudman and Blair, 1998: 170). No covering letter was sent with the questionnaire as the benefits of completing the questionnaire were mentioned in the advance notification letter, as well as by the Operations Manager when delivering the questionnaire to the client.

Martins et al (1996: 157) summarises (table 4.1 below) factors affecting mail survey response rates together with the level of control the researcher has over the factors. An additional factor to those identified by

Kanuk and Berenson (1975) as having a strong effect on response rates is added, namely the respondents' interest in the topic. However, this is a factor over which the researcher has little or no control.

Table 4.1 Factors Affecting Response Rates in Mail Surveys

Factor	Effect
No/limited control	
Respondents' interest in topic	Strong
Questionnaire length	Weak
Identity of survey sponsor	Moderate
Full control	
Advance notice	Moderate
Type of return postage	Moderate
Monetary incentives	Strong
Non-monetary gifts	Moderate
Promises monetary incentives	Weak
Physical characteristics	Weak
Degree of personalisation	Weak
Anonymity and/or confidentiality	Weak
Type of appeal	Weak
Lottery	Weak
Return deadlines	None
Follow-up contacts	Strong

Martins. J., Loubser. M. and Van Wyk. H. 1996. Marketing research: A South African approach. Pretoria: Unisa Press: 157.

Kanuk and Berenson (1975: 451) conclude that no general theory can be developed concerning mail survey response rates because population and subject matter constantly change. The only techniques that consistently improve response rates appear to be the use of follow-ups and monetary incentives. In any event, it is likely that the budget allocated to the research will have the greatest impact on the response rate.

4.6 Questionnaire Design Issues

In this regard, a major limitation of mail surveys is that they can be used only for short surveys with mainly closed questions. The questions in a mail questionnaire should offer response categories or at least not require substantial amounts of writing. The reluctance to answer open-ended questions stems not only from the time and effort required but also from the fact that many respondents are uncertain of their spelling and grammar and do not want to be embarrassed. Open questions in mail surveys usually reduce the cooperation rate substantially while yielding little useful information (Sudman and Blair, 1998: 162). For this reason, open-ended questions were not used in the final questionnaire.

Another limitation to mail surveys identified by Sudman and Blair (1998: 162) is that they should permit very little branching. Even very simple branching instructions are likely to confuse some respondents. In the survey for Kleen Co, branching was not used in the questionnaire. Still another complication in mail surveys is that the order of questions cannot be controlled as it is in personal interviews. It has to be assumed that respondents will read all the questions before answering any of them. This makes it possible for questions at the end of the questionnaire to influence questions at the beginning, which may be undesirable. Also, questions intended to measure respondents' levels of knowledge about a product, service, or issue do not work well, as respondents are free to look up the answers or ask someone else.

To help in asking the right questions in a marketing research project, Sudman and Blair (1998: 170-171) suggest observing the following two rules:

- *check whether the question is consistent with how the market works.* This was tested in consultation with Kleen Co's administrator, as well as in the pilot survey.
- *specify how the results will be used to draw conclusions about the market, and ask whether those conclusions address the research objectives.* This was done by drafting a quasi-report using hypothetical results that were expected from the survey. This allowed the holes in the report to be filled by making changes to the questionnaire.

According to Sudman and Blair (1998: 255), the following rules should be used to avoid problems of understanding or interpretation:)

- *be specific - interpretation problems often arise because a question is too broad.* This was tested for in the pilot survey;
- *specify who, what, when, where and how - in other words, avoid forcing the respondent to make assumptions.* No problems were experienced in this regard during the administration of the pilot survey;
- *specify how the answer should be given, such as response categories.* Respondents were asked to circle their choice in pen;

- *use simple language - a good rule is to limit questions to words that a child would understand and to avoid technical language (unless aimed at technicians).* A modicum of literacy was presumed as the survey was administered to business managers;
- *try to use words with only one meaning.* This was tested for in the pilot survey and in consultation with Kleen Co's administrator;
- *use numbers rather than indefinite adjectives to measure magnitudes - for example, rather than ask people whether they use a product regularly, use specific numbers to measure frequency.* This was done in question 1 (time), question 3 (cost in rands) and question 8 (number of times);
- *ask questions one at a time.* No double-barreled questions were asked;
- *before proceeding with a research project, pre-test the questionnaire.* This was done in the pilot survey;
- *pre-test the questionnaire to learn what respondents have in mind when they answer key questions.* This was done in the pilot survey.

If respondents understand a question properly and consistently, the next issue is whether they know the answer. This is a big issue, as ultimately data quality is limited by respondents' knowledge, which, say Sudman and Blair (1998: 256-263), is further limited by a number of factors.

Were they there? Sometimes respondents cannot answer questions because they are not there or are not the decision-makers. However, proxy respondents (respondents who provide information about others in the organisation) are not necessarily bad. The key question is not so much "Was he there?" as "Does he know?" The questionnaires were delivered by the Operations Managers to the decision-maker or, failing this, the person usually dealt with. It is reasonable to presume that the respondent had adequate knowledge.

Can they remember? Respondents will not make unlimited efforts to search their memories. Common problems associated with memory errors in marketing research are mentioned below.

1. *Overestimating the frequency of purchase and consumption for short periods, and underestimating the frequency of purchase and consumption frequencies for long periods.* If people are asked to report what brand they purchase, they tend to over-report brands that are heavily advertised. The severity of memory-based errors depends on various factors, including how motivated the respondent is to think carefully, the importance to the respondent of whatever is being measured, the uniqueness of whatever is being measured, and the recency of whatever is being measured. This issue is particularly relevant to question 8 which asks: "How many times in the past twelve months, if at all, have you raised a complaint with your area/operations manager concerning the service you have received?". While measuring customer satisfaction was not the main aim of the survey, this limitation must be considered. The number of complaints

mentioned in the survey may be less than the actual number of complaints made, as twelve months is a long time.

2. *Do they have opinions?* Attitude and opinion questions present special problems, as people may not know the answer. Respondents often do not have a definite attitude to the subjects covered in the questionnaire. Nonetheless, many researchers find the data useful. They argue that people make buying decisions based on their opinions, however poorly founded those opinions may be, so it is useful to measure opinions even among people who have not thought much about the topic.

3. *Are intentions meaningful?* Intention data have three problems:

- People may not know what they will do until the actual situation arises. That is why question 10 did not ask whether the respondent would repurchase (renew the contract) when the current contract expired.

- The period between intentions and behavior may be very short – a person may not intend to purchase something in the future, but does so simply because he needs them at that time.

- Respondents may over-report their buying intentions because they want to be nice to the researcher. While question 10 asks whether the respondents' would make a recommendation to a potential client, the purpose is not to measure the rate of recommendations, but rather to gauge the attitude of clients towards Kleen Co. A high rate of recommendation suggests a high rate of satisfaction.

4. *Willingness to respond.* Assuming that people understand a question and know the answer, they must still decide whether or not to answer and whether or not to answer accurately. This is a key problem, as respondents want to present themselves in a favourable light and "be nice" to the interviewer. If they feel there are social norms dictating which answers are "right", they may edit their answers to be more "desirable". In business-to-business research, it is often necessary to identify the sponsor. People are reluctant to answer questions about their business operations if they do not know who is doing the research and why. In the notification letter, it was explained that the survey was being done by an independent person to enable Kleen Co to provide better service. The best motivator for most respondents is the feeling that the interview is a professional undertaking. This was further enhanced by a promise made at the beginning of the questionnaire that individual responses would remain confidential.

Apart from asking the right question and having respondents understand it, know the answer, and be willing to give the answer, other issues include the following (Sudman and Blair, 1998: 266).

1. Should questions be open or closed?
2. If questions are closed, what are the general design principles of response categories?
3. How many response categories should be used?
4. For opinion questions, should "No opinion" or "Neutral" categories be provided?
5. How many questions should be used to measure a subjective variable?

1. Should questions be open or closed?

Closed questions have some advantages over open questions:

- They encourage response by making it easy.
- They reduce the cost of coding answers into categories.
- They reduce the amount of probing needed to get codeable answers.
- They encourage people to give answers they otherwise might not think of.

On the other hand, closed questions have some disadvantages:

- They can lead respondents, by suggesting which answers are "normal".
- They make it easy for respondents to answer without thinking.
- They require more pre-testing because one needs to know the possible answers in advance to provide appropriate categories.
- They limit the richness of the data and can be boring for respondents

Open questions generally work better than closed questions in situations where there is a preference for rich, unstructured information and where personal interviews are used. These situations include focus groups, depth interviews, and executive interviewing. Open questions are also advisable when one does not know what answers to expect. Closed questions work better in situations where there is a preference for inexpensive, structured information. This fits most consumer surveys. Closed questions also work well when data are gathered by telephone, and are a must for self-administered questionnaires, because most respondents simply will not write answers to open questions.

2. Principles of response category design

When using closed questions, response categories should conform to some general principles. These are as follows.

a) The categories must be exhaustive.

b) The categories should be mutually exclusive.

c) In general, do not list "Don't know" or "No answer" as response categories on a questionnaire. There are exceptions:

- a "Prefer not to answer" category should be provided for questions to which a substantial number of respondents will refuse to answer (such as declaration of income);
- a "Don't know" or "No opinion" category should be provided when this is a legitimate response, for example, when one asks an attitude question without screening for knowledge;

- ordered response categories should relate to one underlying dimension; and
- response categories should be presented in order, low to high or high to low. If the order of presentation is likely to influence the answers, consider using each sequence for half the respondents. In general, quantities should be measured with specific numbers ("1 to 3", "4 to 6" etc.) rather than indefinite terms ("very often", "pretty often", etc.).

3. How many categories should be used?

In discussing the appropriate number of response categories for a question, three types of phenomena are distinguished: qualitative phenomena (for which the possible responses represent different categories, not different quantities); subjective quantitative phenomena (for which the possible responses represent different subjective quantities); and objective quantitative phenomena (for which the possible responses represent different objective quantities).

Qualitative phenomena.

These include phenomena such as "why?", "when", "how?" etc. and have natural response categories (the different possible answers). All that is required is enough categories to accommodate these answers. Examples of this are questions 5 and 10 of the final questionnaire.

Subjective quantitative phenomena.

These include phenomena such as "How satisfied were you with...". These are different from qualitative phenomena in that there are no natural response categories. For this type of question, the number of categories depends on the amount of discrimination you want and whether you want to use labelled scales (scales with verbal labels such as "Extremely satisfied – Mostly satisfied – etc.). Most labelled scales use only three to five categories, while most unlabelled scales use seven to nine points. Examples of this are questions 4, 6, 7 and 9 of the final questionnaire.

Objective quantitative phenomena.

These include phenomena such as "What is your...", "How many times..." etc. These items differ from subjective phenomena in that they use simple numerical scales with no need for verbal descriptors. The only question is how much discrimination is required. The best discrimination is obtained from open questions that extract an exact number. Examples of this are questions 1, 2, 3 and 8 of the final questionnaire.

4. Should subjective measures have a "neutral" category?

According to Sudman and Blair (1998: 271), the argument against these is that people make buying decisions based on their opinions, even if not well founded, and so everyone should be forced to declare an opinion.

The problem, however, is that with bipolar measures (such as "strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree, strongly disagree"), neutral or undecided respondents are forced to express an opinion that will be unreliable. It is recommended that a "no opinion" option for opinion questions, and a "neutral" category for bipolar measures be included. A neutral category for bipolar measures was used in the questionnaire for questions 5, 6 and 7 of the final questionnaire.

5. How many questions should be used to measure a phenomenon?

Sudman and Blair (1998: 271) maintain that as a basic rule, the smallest number of items needed to get satisfactory results should be used – a little good information is better than a lot of bad information. This number will depend on four factors.

1. If different items are largely redundant, fewer of them are needed. For example, little benefit is gained from adding a second, third or fourth question to measure age.
2. If the focus is on groups of respondents, rather than individuals, fewer items are needed. Marketing researchers are usually more interested in total markets or market segments.
3. If a phenomenon is less important to the overall research project, fewer items are justified.
4. If a questionnaire is long, then fewer items may be justified.

Because of the emphasis on group data in marketing research, researchers usually use no more than ten items to measure even the most difficult phenomena, and single item measures are the norm.

5 THE MEASURING INSTRUMENT

The questionnaire used was printed on two sides, so that the respondents would believe they could answer it quickly and with minimal effort. Ten questions were asked, with some of the questions having subsidiary questions. A note reminding clients that the identity of the respondent would be kept confidential was placed at the top of the questionnaire. An instruction as to how to select a choice was also given in clear, bold type.

Question 1: How long have you been a client of Kleen Co?

Reason

This question aims to categorise the respondents by the length of time they have been clients, and to determine whether any relationship exists between these criteria, perceptions and/or experiences.

Format

A multiple-choice single-response format was used, as the options given for the question are mutually exclusive.

Question 2: What industry are you primarily in?

Reason

Similar to that for Question 1. One of the objectives was to determine if different industries had different reasons for outsourcing their cleaning requirements, and whether they had different expectations, perceptions and weighting of service attributes.

Format

A multiple-choice single-response format; as the question asks which industry they are *primarily* in, the options given for the question are mutually exclusive.

Question 3: What is the monthly cost of the existing cleaning contract at present?

Reason

Similar to the two questions before it, as the intention is to discover whether contract size has any effect on perceptions, expectations or attribute importance. The price range of the options was set with the assistance of the company.

Format

A multiple-choice single-response format was used, as the options given to the question are mutually exclusive.

Question 4: For each of the pairs below, please tick the one you find to be the most important when evaluating a cleaning service.

Reason

The reason for using paired comparison was twofold: to verify answers given to question 6 (respondents are known to be either optimistic or ignorant when it comes to service expectations), and to determine the *relative* importance of service attributes rather than a simple ranking. Paired comparison also allows one to determine to what extent the attributes relate to *one another*. Finally, and possibly most important, paired comparison questions force the respondent to make trade-offs between the various attributes – the respondent might think all the attributes are very important, but in reality no service or product offers the lowest price as well as the best service or quality.

Format

A paired comparison format was used to rate four attributes of contract cleaning, resulting in six pairs, each requiring one attribute to be selected.

Question 5: To what extent are the following reasons relevant to your company's decision to outsource its cleaning requirements?

Reason

This question seeks to establish the relevance of the various reasons for outsourcing cleaning requirements, and to find out *why* the clients purchase from the company – what benefit they hope to gain, and what problem do they want solved?

Format

Since the reasons are not mutually exclusive, the most common reasons were listed (as identified through the pilot test and interviews with management) using a Likert scale with summated ratings.

Question 6: How important to you are the following criteria?

Reason

By establishing to what extent the client believes certain attributes or criteria of contract cleaning are important, it is possible to determine their *expectations*. This is necessary for the mapping of their expectations against their perceptions (experience) of the service. From this, aspects of the service that need (or can) be improved are revealed.

Format

A Likert scale with summated ratings was used. This ensured uniformity in the questionnaire. It also made it easy for respondents to answer as they had previously answered questions that used this scale.

Question 7: How do you rate Kleen Co in terms of...

Reason

This is the "other half" of the disconfirmation exercise, where actual perceptions are measured. The same criteria and scale are used to facilitate graphical representation of the relationship between the clients' perceptions and expectations.

Format

The same as for Question 6 in order to compare like with like (in order to allow perceptual mapping using the same scales).

Question 8: How many times in the past twelve months, if at all, have you raised a complaint with your area/operations manager concerning the service you have received?

Reason

Although the main focus of the survey is on finding out who buys what and why, this question was included (together with questions 9 and 10) in order to determine how often clients complain. This can be used as a measuring stick for future surveys (one can track complaint levels over time to establish a trend), as well as a simple customer satisfaction index when used in conjunction with questions 9 and 10.

Format: A multiple-choice single-response format was used, as the options given for the question are mutually exclusive.

Question 9: If you have raised a complaint with Kleen Co, how satisfied are you with the outcome?

Reason

This question was only answered by clients who *had* raised a complaint over the past twelve months. The aim was to determine the seriousness of the complaints (question 8 does not ask respondents to differentiate between serious and minor complaints) as it is not uncommon in the contract cleaning industry to receive a large numbers of complaints. What is important is how they are handled - companies who resolve complaints according to or beyond the client's expectation can strengthen their relationship.

Format

A Likert scale with summated ratings was used. A familiar format ensured that the questionnaire was consistent and made answering easy.

Question 10: Would you recommend the cleaning services of Kleen Co to another company?

Reason

This question aims to establish customer satisfaction in a relatively crude fashion, as clients who answer favourably are generally satisfied customers. (The primary purpose of the survey was to establish *who* bought *what* and *why*, and not how satisfied they were).

Format

A multiple-choice single-response format was used, as the options given for the question are mutually exclusive.

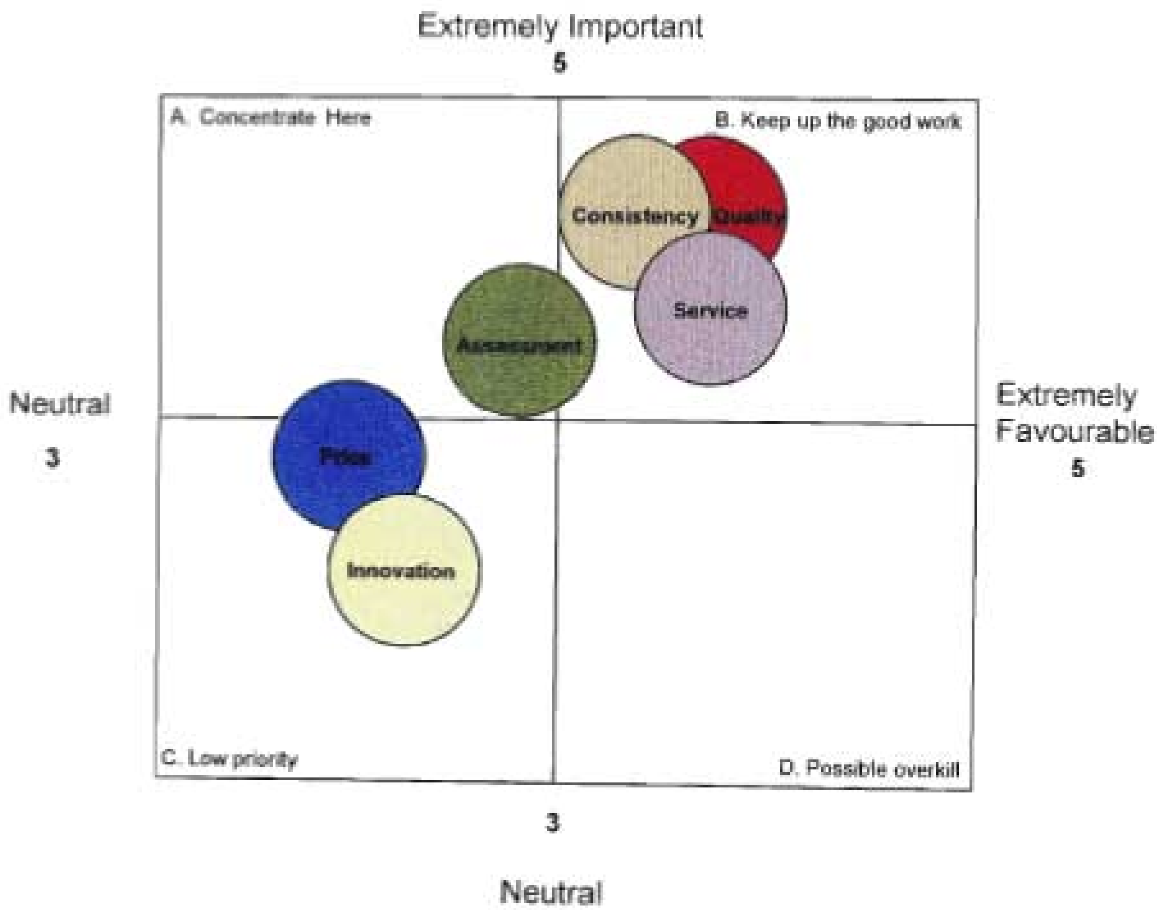
6 ANALYSIS OF FINDINGS

Of the 150 questionnaires sent out to the clients, 60 responses were received after the six-week cut-off period. Questionnaires that were not completed in full (i.e. only some questions answered) were not excluded, as the questions are independent of one another. All data analysis was done using Microsoft Excel spreadsheets, using custom filters and data sorting. The questionnaires were numbered as they were received, in order to allow later identification (if necessary) of each questionnaire's entries on the master data list (Appendix 1). There was a total of 28 answer fields in the questionnaire. All answers were coded (for example, when using the Likert scale, the number 5 represented extreme importance or favour). These codes were entered into the spreadsheet under the column for that particular question (answer field), in the row representing a particular questionnaire. Appendices 3 – 6 present the data for healthcare, hospitality, offices, and shopping centre segments respectively. The following analysis is based on this data.

6.1 Total Responses

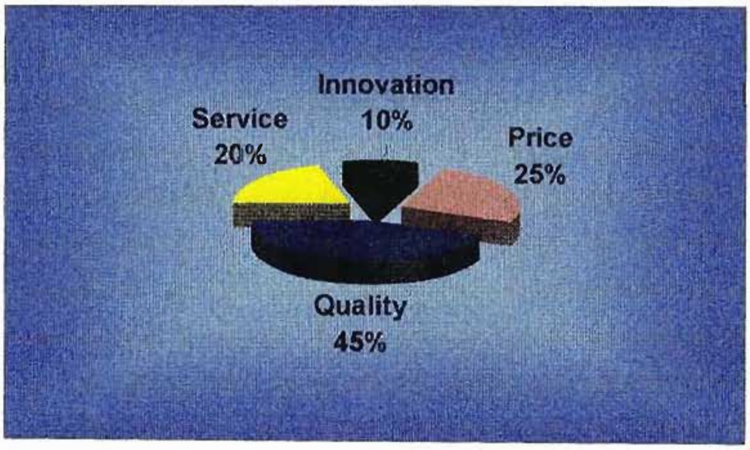
Appendix 14 shows all the respondents' choices regarding their expectations and perceptions. The mean score for all responses on each of the six attributes (price, service, quality, innovation, assessment, and consistency) was calculated by multiplying the number of responses by the Likert scale number. These mean scores were then plotted on a graph with expectations on the y-axis, and perceptions on the x-axis (Figure 6.1). However, to obtain the best fit, the scale was adjusted so that the range for both expectations and perceptions started from neutral responses (from Kotler 2000: 443).

Figure 6. 1 Relative preference map



From this, it appears that quality, consistency and service are being provided according to clients' expectations, which are high. The price of the service is not rated as being particularly favourable, yet remarkably clients do not have high expectations regarding the price of the service. The price is therefore a low priority for the company. As expectations of assessment (assessment meaning Kleen Co's ability to estimate in advance the client's cleaning requirements in terms of labour and equipment) are not fully met, this is an area that requires attention if it is to meet the expectations of clients. Finally, clients do not have high expectations for innovation, which indicates a low priority for management.

Figure 6.2 Paired comparison

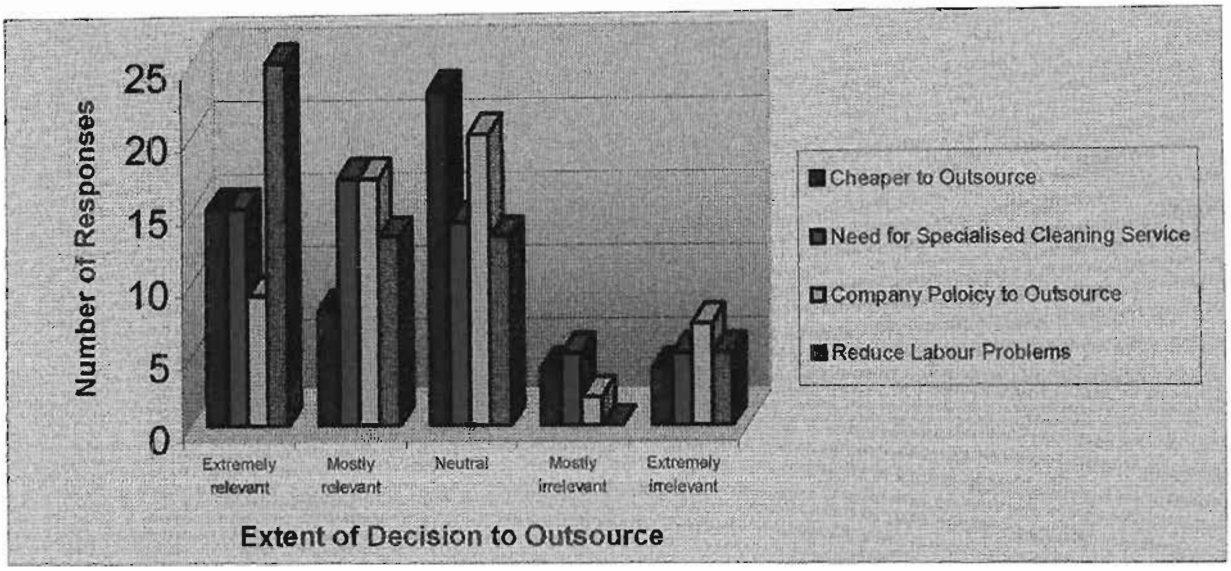


Service	Innovation	Price	Quality	Total
49	25	60	106	240
20%	10%	25%	44%	100%
3	4	2	1	Rank

A paired comparison on four attributes was included in the survey. While it is relatively complicated for respondents (25% of respondents did not answer this question), it does provide a more accurate picture of how clients rate various aspects of the contract cleaning service. Respondents are forced to make a trade-off between one attribute and another, and for this reason it is considered to be a more accurate indicator of expectations. The original data are shown in appendix 2.

The results show that the most important attribute is quality, followed by price, service and then innovation. However, this does reveal (a forced ranking does not) *how much more important one attribute is than another.* From this, it can be seen that quality is by far the most important attribute, that price is only marginally more important than service, and that very few respondents consider innovation to be important.

Figure 6.3 Reasons for outsourcing



	Extremely relevant	Mostly relevant	Neutral	Mostly irrelevant	Extremely Irrelevant	Total
Cheaper to Outsource	15	8	23	4	4	54
Need for Specialised Cleaning Service	15	17	14	5	5	56
Company Policy to Outsource	9	17	20	2	7	55
Reduce Labour Problems	25	13	13	0	5	56

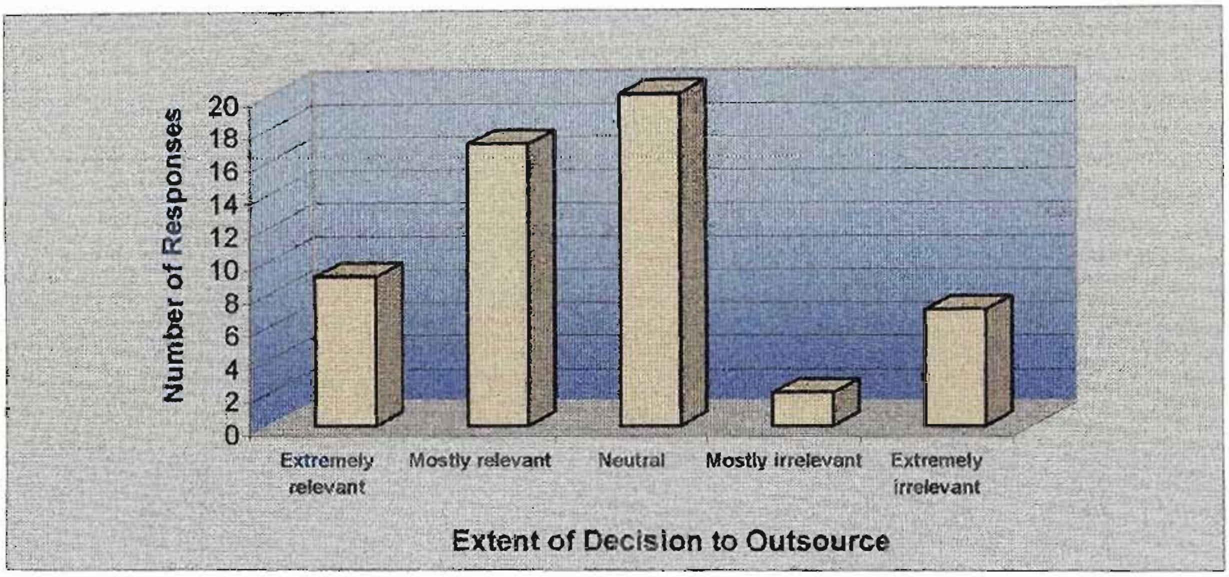
This question seeks to discover *why* people buy the service. From the null hypothesis

Ho 4: Kleen Co's clients do not have different reasons for outsourcing their cleaning requirements

an analysis of responses is needed to determine whether this null hypothesis ought to be rejected. If it is, then clients sharing these different reasons for outsourcing can be grouped into possible market segments.

Figure 6.3 displays all the reasons given by respondents for outsourcing their cleaning requirements. Figures 6.4 – 6.7 show the responses for each of the four reasons. The reason for the options given for the question not being mutually exclusive is that it was believed that the different reasons for outsourcing were all relevant, but to varying degrees.

Figure 6.4 Company policy to outsource non-core functions



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Company Policy	9	17	20	2	7	57	3.3
Chi-squared goodness-of-fit = 19.818							

Most of the respondents did not believe this was either relevant or irrelevant to their decision to outsource. However, almost half of the respondents felt it was *either* mostly relevant or extremely relevant. The remaining respondents who felt it was either mostly or extremely irrelevant amount to less than an eighth of all respondents.

To test for statistical significance, the chi-square test was chosen. According to Cooper and Schindler (1998), it is probably the most widely used nonparametric test of significance, and is particularly useful in tests involving nominal data, such as the following scale: extremely relevant – mostly relevant – neutral – mostly irrelevant – extremely irrelevant.

This technique tests for significant differences between the observed distribution of data among categories (in this case, the number of respondents who chose one of the above mentioned nominal categories), and the expected distribution based on the null hypothesis (in this case, the null hypothesis being that there is no difference amongst clients in their reasons for outsourcing).

The formula used is $\chi^2 = \sum_{i=1}^{k} \frac{(O_I - E_I)^2}{E_I}$

Where O_I = Observed number of cases categorised in the *i*th category

E_I = Expected number of cases in the *i*th category under H_o.

K = The number of categories.

There is a different distribution for χ^2 for each number of degrees of freedom (d.f.), defined as (k-1) or the number of categories in the classification minus one. As five categories were used, d.f. = (5-1) = 4. In this case, the expected distribution (E_i) under the null hypothesis is 11 - this is because 55 responses were received over five categories (55/5 = 11).

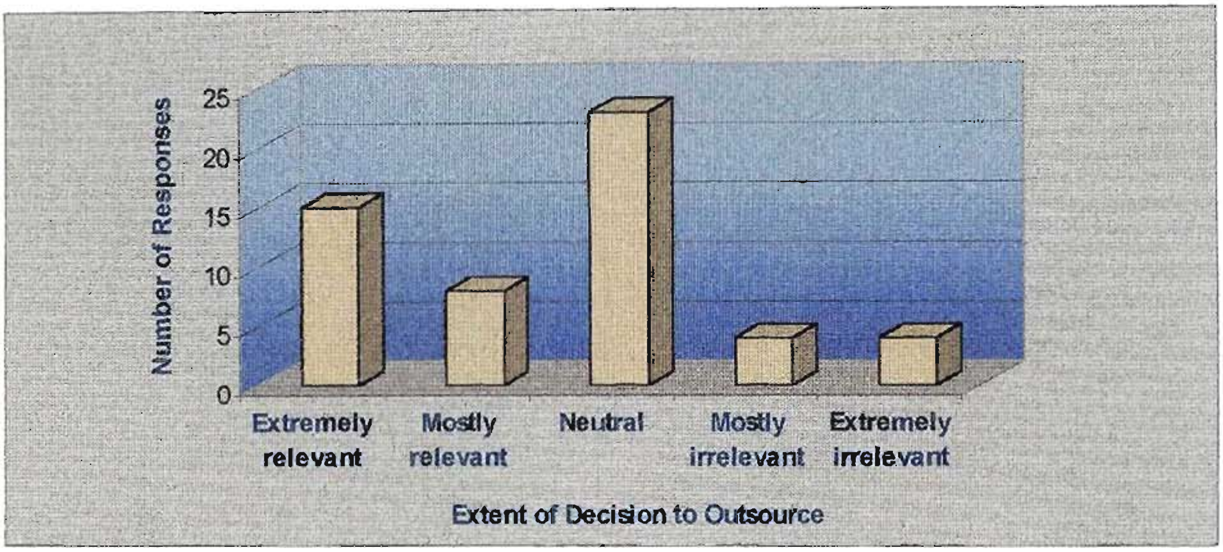
Therefore:

$\chi^2 = (9-11)^2/11 + (17-11)^2/11 + (20 - 11)^2/11 + (2-11)^2/11 + (7 - 11)^2/11$

$\chi^2 = 19.818$

The null hypothesis is rejected because this calculated value is higher than the critical value of 14.86 (where p = 0.005). In other words, the possibility that these results are due to chance is less than 0.5%.

Figure 6.5 Cheaper to outsource



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Cheaper to Outsource	15	8	23	4	4	54	3.4
Chi-squared goodness-of-fit = 24.70							

The responses to this question are similar to that above, in that slightly less half of the respondents were neutral towards this reason for outsourcing, and slightly less than half felt it was either mostly or extremely relevant. One difference is that, of the latter, more respondents considered it to be extremely relevant than mostly relevant.

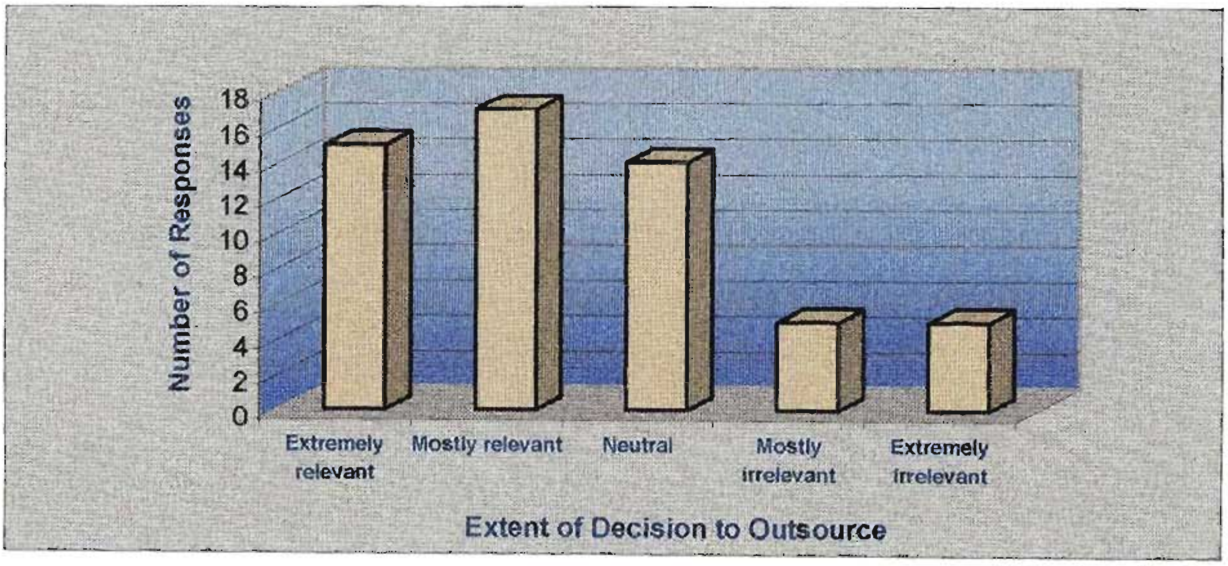
d.f. = 4

E_1 = 10.8

χ^2 = 24.70

Therefore null hypothesis rejected where p = 0.005. In other words, there is a 99.5% certainty that this result is not due to chance.

Figure 6.6 Need for specialised cleaning



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Need for Specialised Cleaning	15	17	14	5	5	56	3.6
Chi-squared goodness-of-fit = 11.8571							

The responses to this question show that most of the respondents felt this reason to be important, although a quarter did feel that it was neither important nor unimportant.

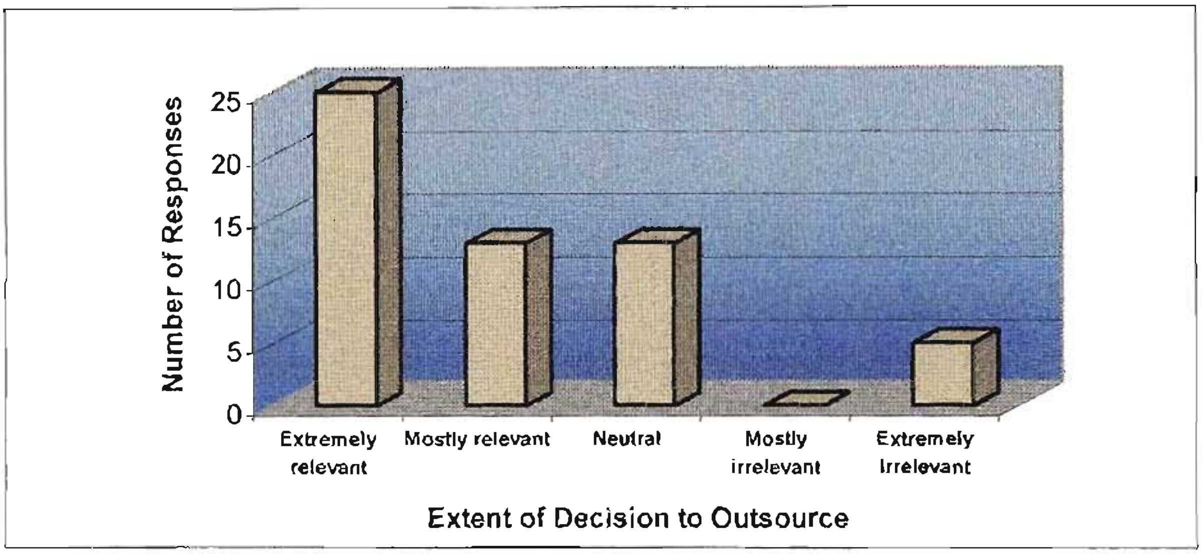
d.f. = 4

E_i = 11.2

χ^2 = 11.8571

Therefore null hypothesis rejected where p = 0.025. In other words, a 97.5% certainty that this result is not due to chance.

Figure 6.7 Reduce labour problems



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Reduce Labour Problems	25	13	13	0	5	56	4.0
Chi-squared goodness-of-fit = 21.0143							

The responses to this question clearly show that approximately two thirds of respondents felt this to be either a mostly or extremely relevant reason for outsourcing their cleaning requirements. While less than a quarter were neutral in this question, only a small number of clients felt it to be irrelevant.

d.f. $= 4$

$\mathbf{E_i}$ $= 11.2$

χ^2 $= 21.0143$

Therefore null hypothesis rejected where $p = 0.005$. In other words, there is a 99.5% certainty that this result is not due to chance.

6.1.1 Summary of findings

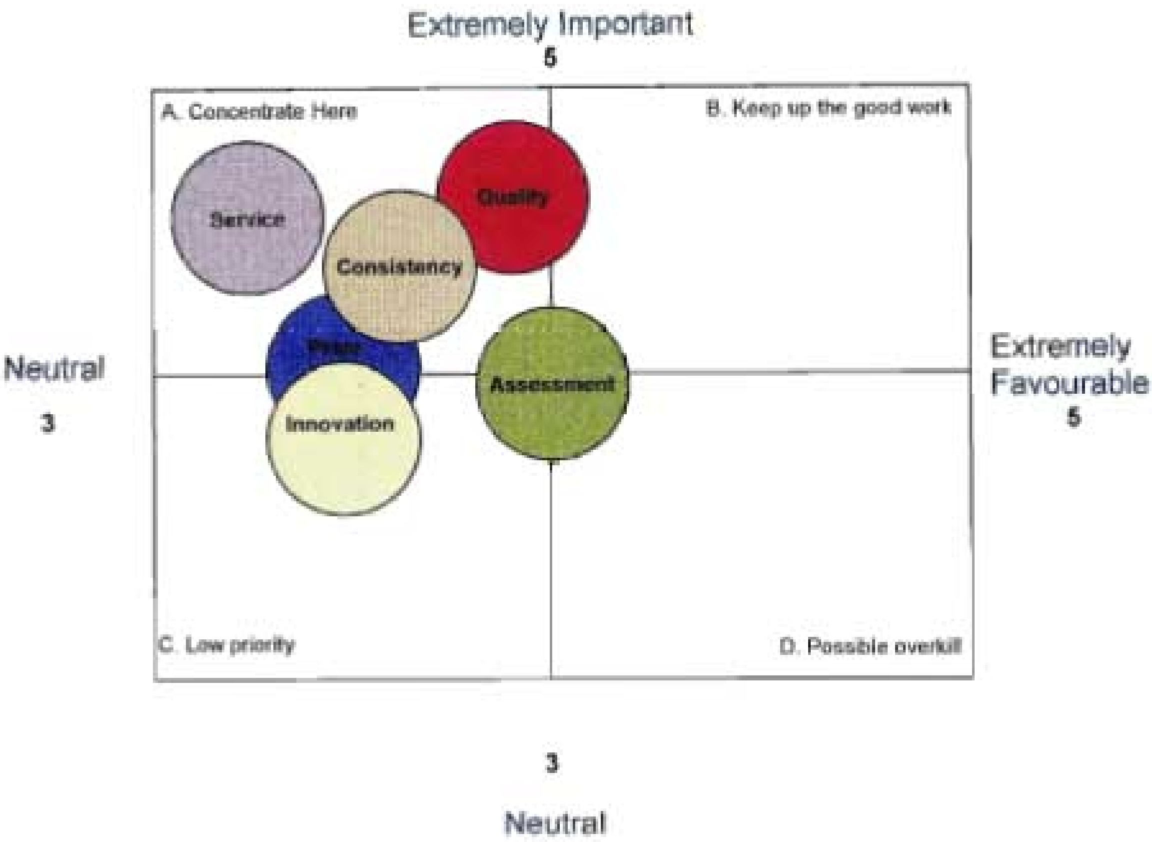
The null hypothesis was rejected in all instances. Chi-square shows that the responses are statistically significant. Therefore, it can be said that Kleen Co's clients differ in their reasons for outsourcing their cleaning requirements. Of the fifty-six respondents, more said that reducing labour problems was relevant than they did for any other reason (thirty-eight respondents). Thirty-two respondents said that the need for specialised cleaning was relevant, twenty-six said company policy to outsource was relevant, and twenty three said the cost was relevant (relevant includes extremely relevant and mostly relevant).

6.2 Healthcare

Appendix 15 shows the original expectations and perception data.

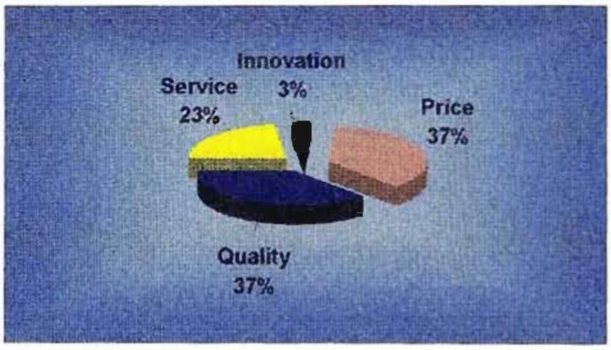
The healthcare disconfirmation map (Figure 6.8) shows that management needs to improve most aspects of the cleaning service.

Figure 6.8 Relative preference map



The most urgently in need of attention are service, consistency and quality. The price of the cleaning service, although not of the same priority as the three attributes mentioned above, also needs to be addressed. Innovation in terms of new cleaning methods and products is a low priority to both clients and the company. In terms of assessment of clients' cleaning requirements, the company may decide to either focus on this as a competitive advantage, or treat it as a low priority. This decision should be made only after further research in this area.

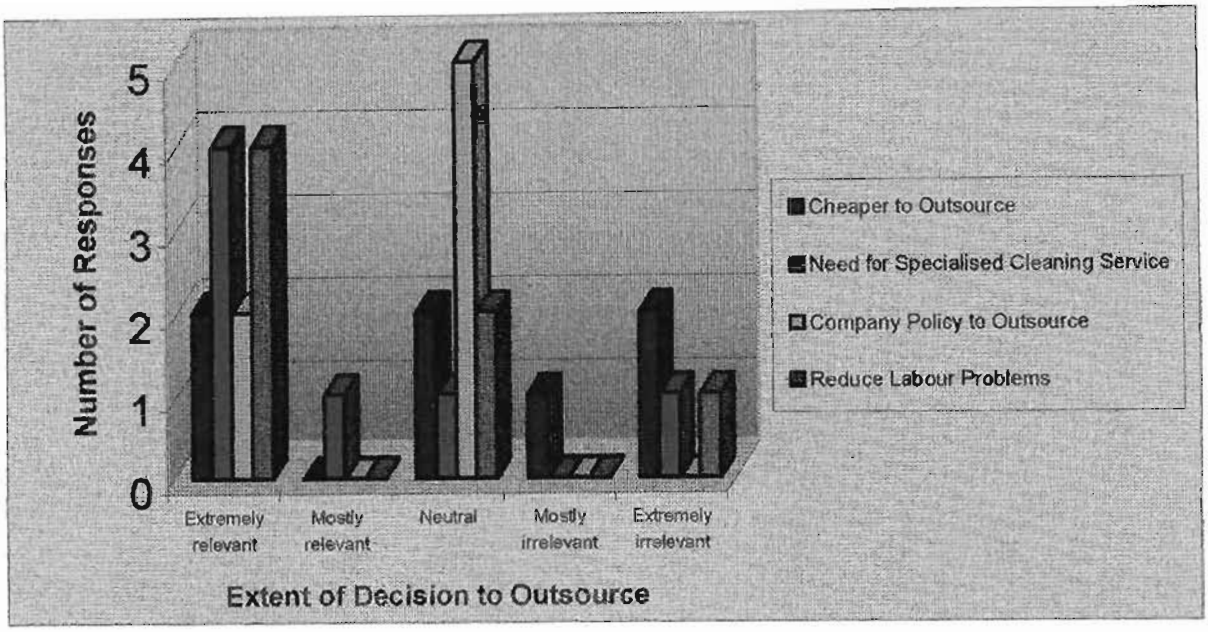
Figure 6.9 Paired comparison



Service	Innovation	Price	Quality	Total
7	1	11	11	30
23%	3%	37%	37%	100%
3	4	1	1	Rank

The data show that, in the healthcare industry, quality is as important as price, followed by service, and then innovation. However, in the disconfirmation map, quality and service are rated as being equally important, followed by price, and then innovation. This is an example of where paired comparison answers can be more accurate, in that a trade-off is forced - in this case between service and price – and in the final analysis the importance of service has been overtaken by price. The original data are shown in appendix 3.

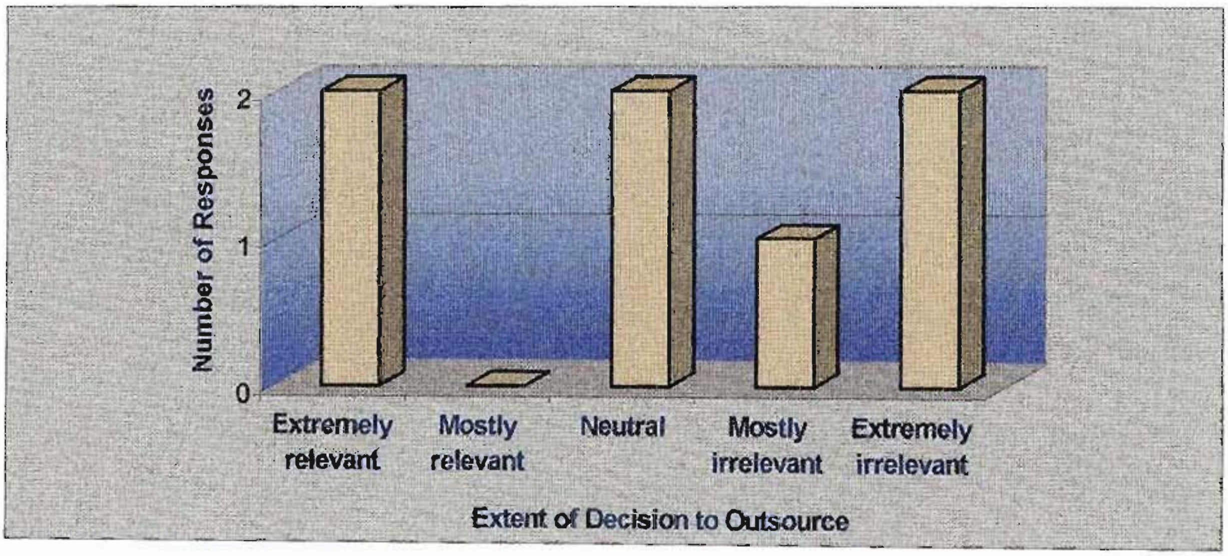
Figure 6.10 Reasons for outsourcing



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Cheaper to Outsource	2	0	2	1	2	7	2.9
Need for Specialised Cleaning Service	4	1	1	0	1	7	4
Company Policy to Outsource	2	0	5	0	0	7	3.6
Reduce Labour Problems	4	0	2	0	1	7	3.9

This graph shows the combined responses for relevance of the reason to outsource. As only seven healthcare clients responded to the survey, no statistical significance can be attached to the responses. According to Cooper and Schindler (1998: 483), if d.f. > 1 (in this case, it is 4), then the chi-square test should not be used if more than 20% of the expected frequencies are smaller than 5. In this case, with seven respondents and five categories, the expected frequency would be 1,4. In other words, at least 25 respondents are required in order to apply the chi-square test where there are five categories. Furthermore, amalgamating several client groups that are not large enough to benefit from the chi-square test (such as the healthcare, hospitality and shopping centre client groups) would defeat the purpose of segmentation, and greater reliance will be placed on the mean scores. However, this does not mean that the information obtained is irrelevant - it offers a certain amount of insight into the relevance of various reasons for outsourcing.

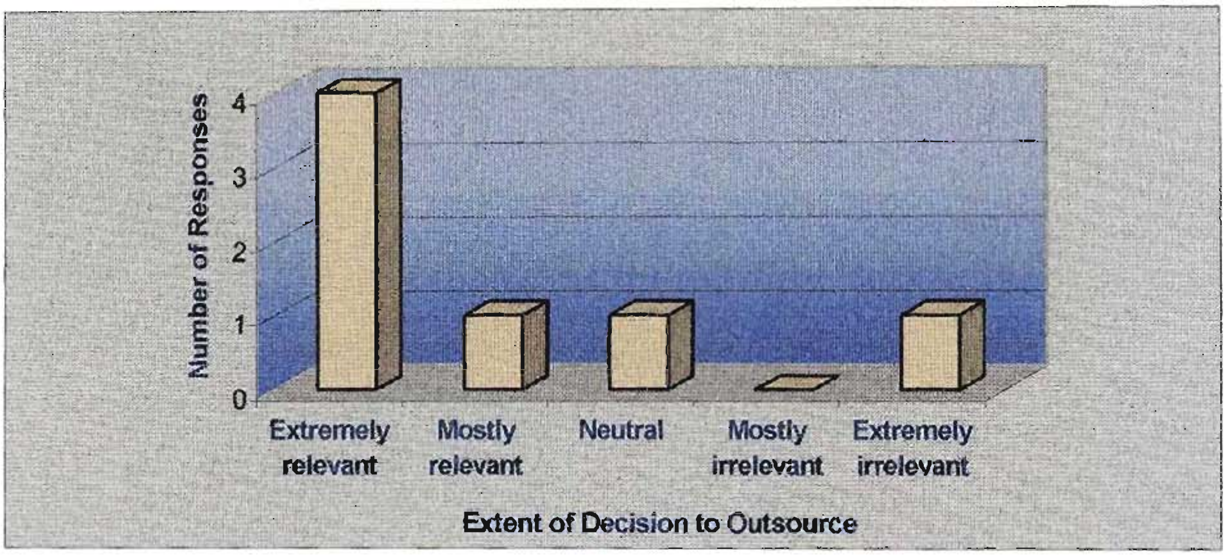
Figure 6.11 Cheaper to outsource



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Cheaper to Outsource	2	0	2	1	2	7	2.9

Just over a quarter of the clients viewed the cost saving of outsourcing as being relevant to their decision to outsource. The remaining clients were either neutral or felt it was irrelevant to their decision to outsource. It is clear from this that the cost of outsourcing is not a determining factor in the decision to outsource in the healthcare industry.

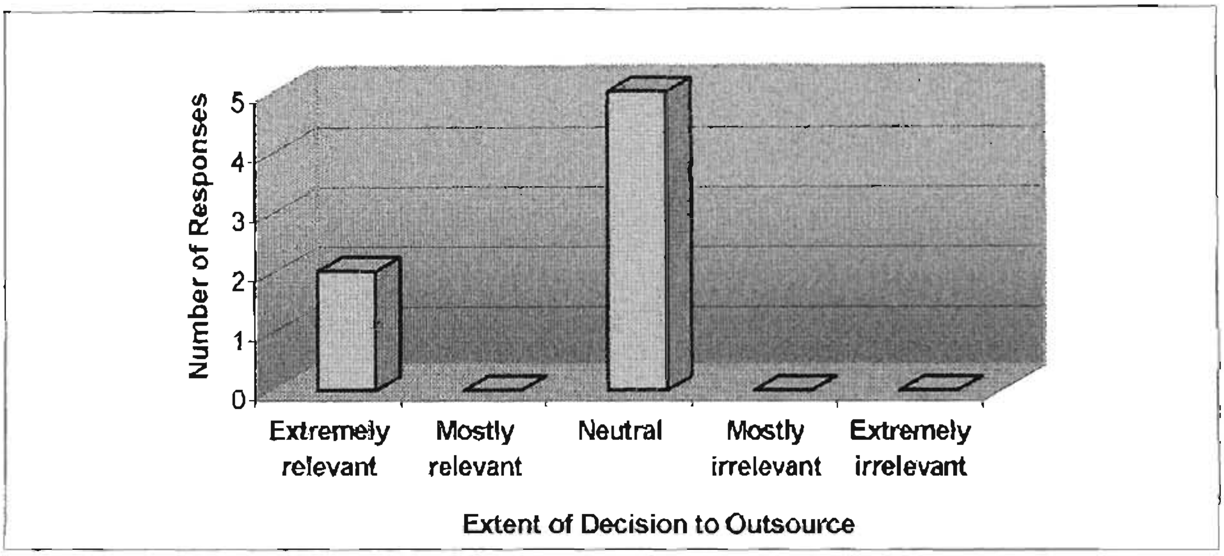
Figure 6.12 Need for specialised cleaning



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Need for Specialised Cleaning Service	4	1	1	0	1	7	4.0

Over two-thirds of clients felt that the need for specialised cleaning was relevant to their decision to outsource, of which 80% felt it was extremely relevant. This is not surprising, as the standard of cleaning required in hospitals is higher than in other industries. Infection control is a specialised and essential field of cleaning within the healthcare industry.

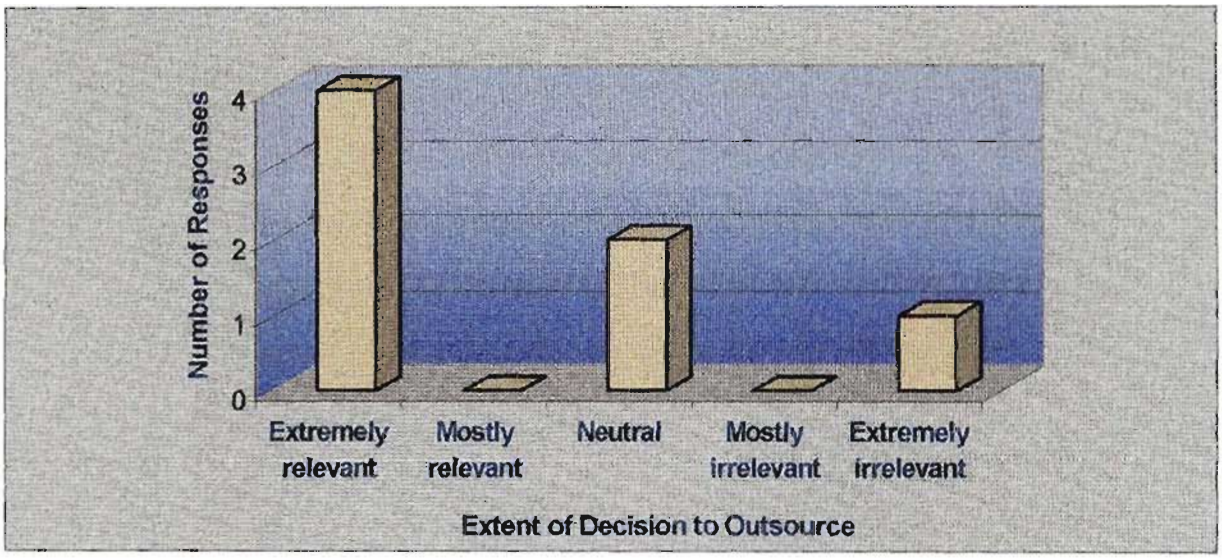
Figure 6.13 Company policy to outsource



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Company Policy to Outsource	2	0	5	0	0	7	3.6

Insofar as it is company policy to outsource non-core functions, over two-thirds of clients were neutral, yet the remaining clients felt it was extremely relevant. This reason for outsourcing is thus not particularly relevant to the healthcare industry.

Figure 6.14 Reduce labour problems



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Reduce Labour Problems	4	0	2	0	1	7	3.9

Over half the clients felt that reducing labour problems was extremely relevant to their decision to outsource. Almost a third were neutral towards this reason, with the remainder finding it to be extremely irrelevant. On this basis, it is apparent that reducing labour problems is relevant to the healthcare industry when deciding to outsource its cleaning requirements.

6.2.1 Summary of findings

The reasons given by respondents for outsourcing, in order of relevance, are:

- the need for specialised cleaning (mean score 4.0);
- the need to reduce labour problems (mean score 3.9);
- company policy to outsource (mean score 3.6);
- cheaper to outsource (mean score 2.9).

6.3 Hospitality

Appendix 16 shows the original expectations and perception data.

Quality, consistency and service meet clients' high expectations in these areas. The company's assessment of its clients' cleaning requirements needs to be improved. Innovation and price are not as important to clients as the other attributes, and thus are a low priority.

Figure 6.15 Relative preference map

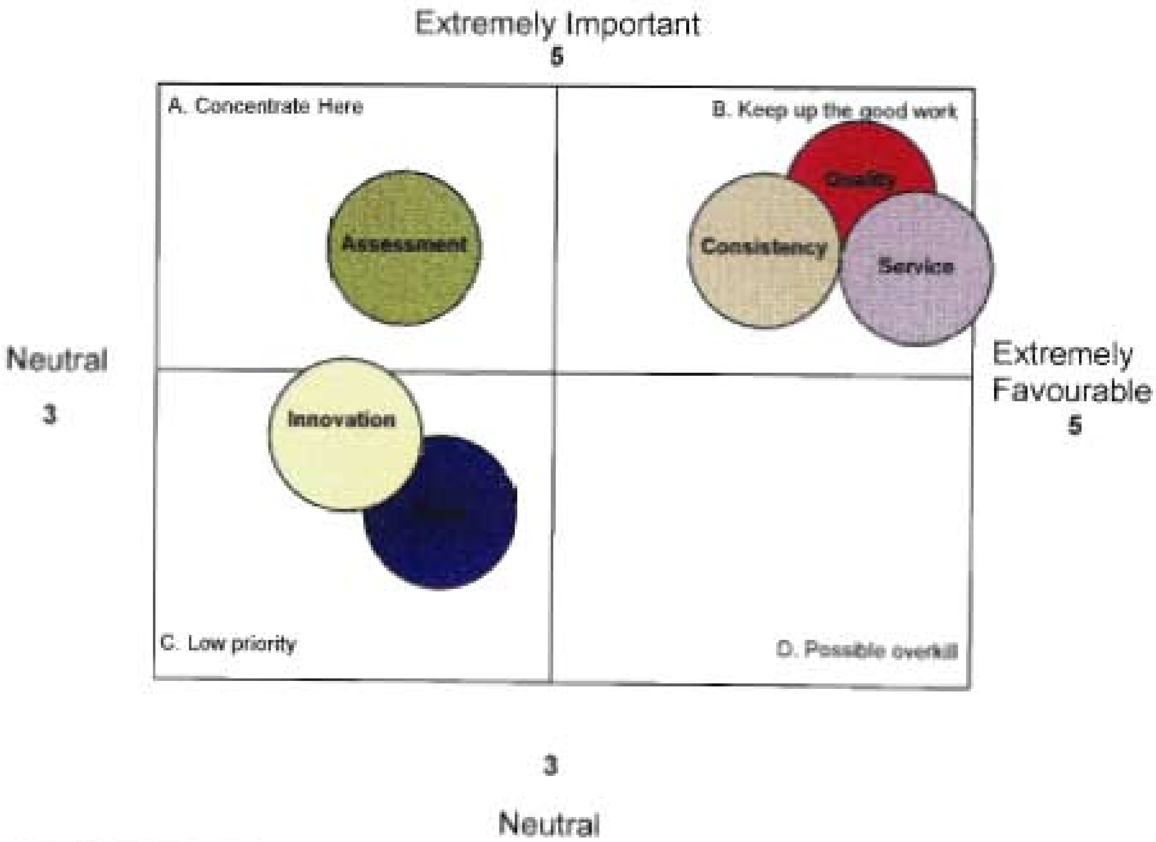
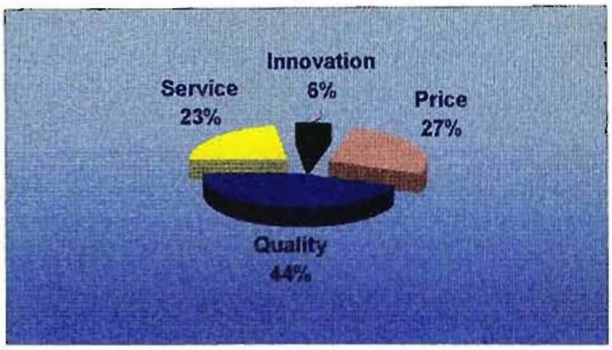


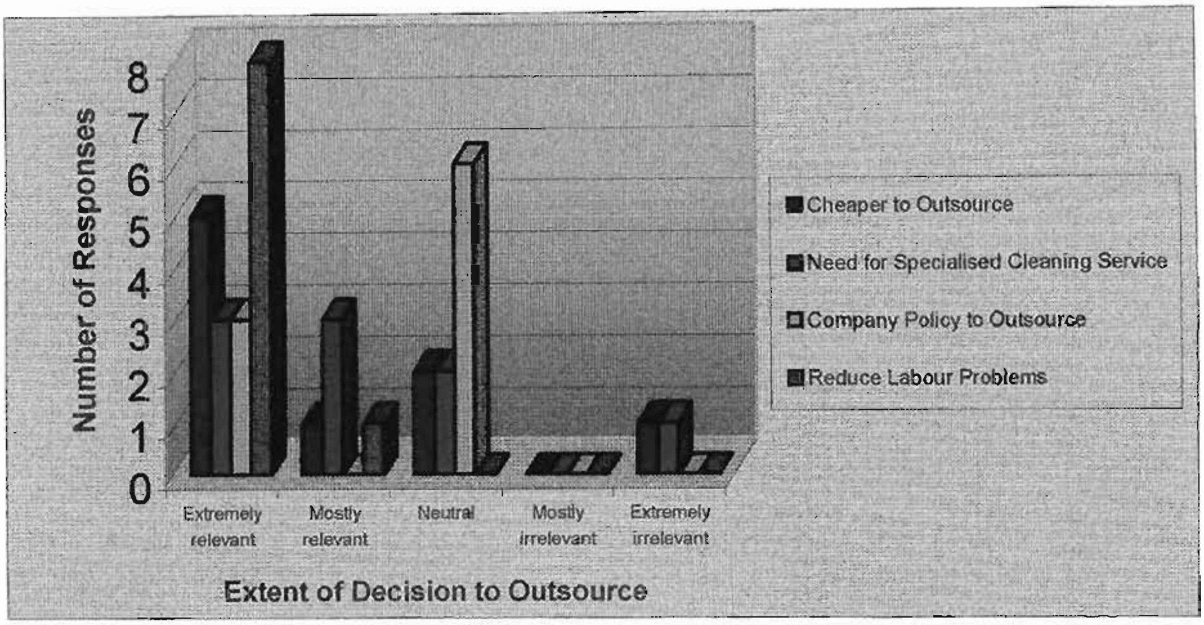
Figure 6.16 Paired comparison



Service	Innovation	Price	Quality	Total
11	3	13	21	48
23%	6%	27%	44%	100%
3	4	2	1	Rank

From the paired comparison it appears that quality is the most important attribute, followed by price, then closely followed by service, and then innovation. It is not surprising to find that quality is by far the most important attribute, since in the hospitality industry accommodation must be as clean as possible. The original data are shown in appendix 4.

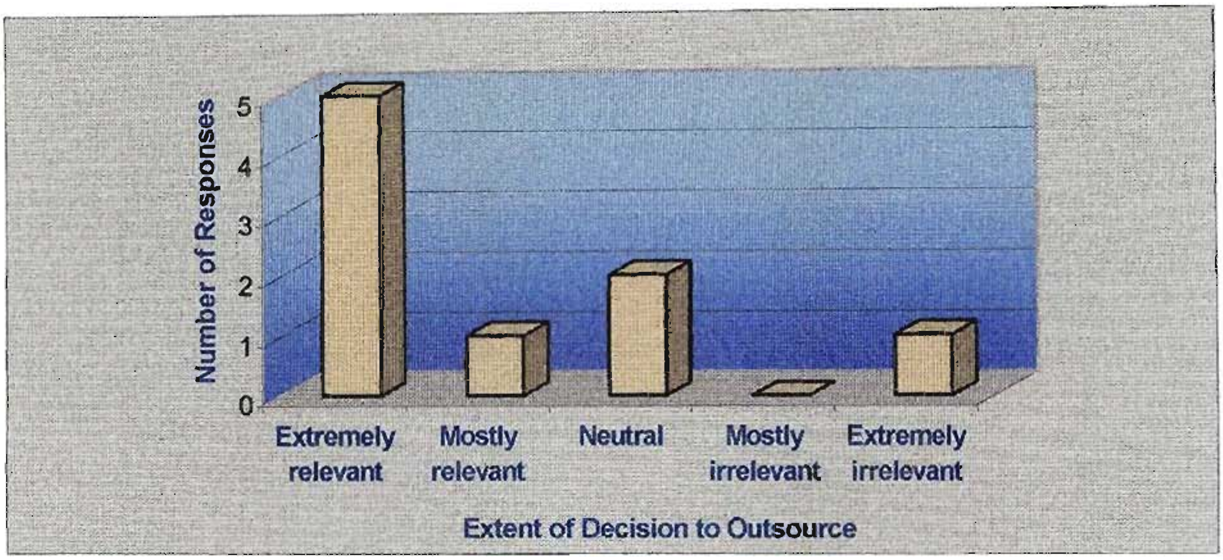
Figure 6.17 Reasons for outsourcing



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Cheaper to Outsource	5	1	2	0	1	9	4.0
Need for Specialised Cleaning Service	3	3	2	0	1	9	3.8
Company Policy to Outsource	3	0	6	0	0	9	3.7
Reduce Labour Problems	8	1	0	0	0	9	4.9

This graph shows the combined responses for relevance of the reason to outsource. Very few clients in this industry felt that any of the reasons were mostly or extremely irrelevant. This shows that, in contrast to the healthcare industry, the various reasons for outsourcing are held to be more relevant (as evidenced by the mean scores).

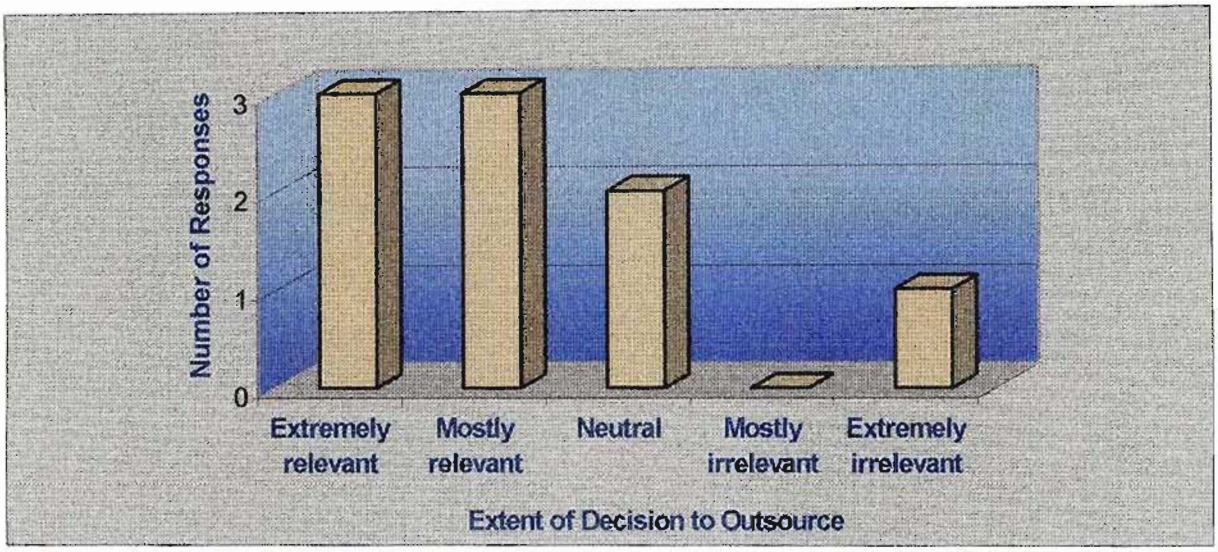
Figure 6.18 Cheaper to outsource



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Cheaper to Outsource	5	1	2	0	1	9	4.0

Two-thirds of the respondents felt that the relative cheapness of outsourcing was relevant to the decision to outsource (of which over 80% felt it was extremely relevant). As occupancy rates of hotels are seasonal, hotels are able to vary the number of cleaning staff on a daily basis, allowing their wages to become a variable cost as opposed to a fixed cost.

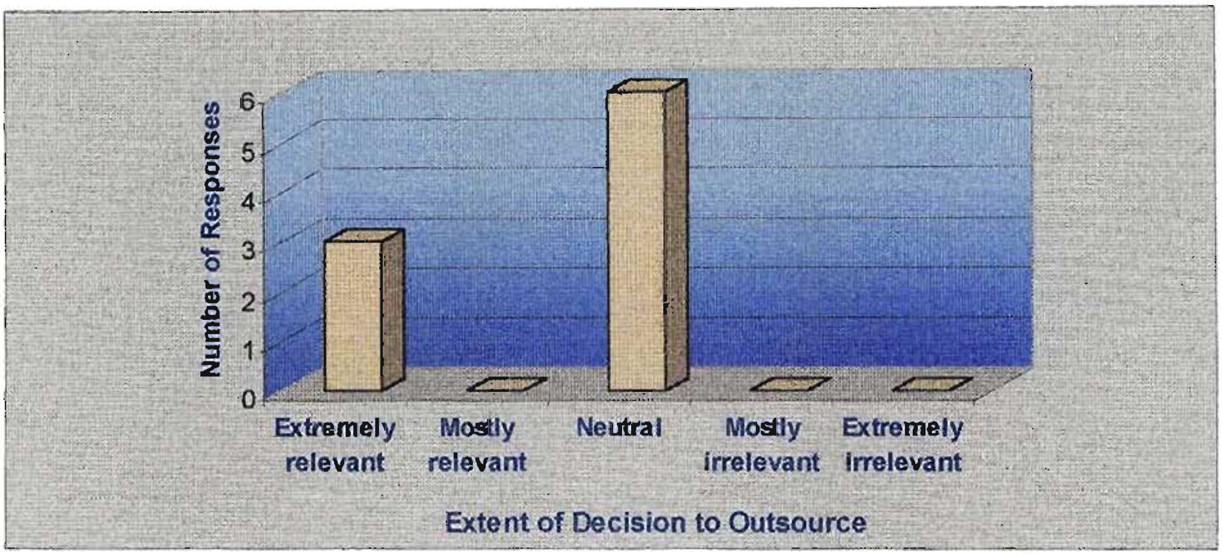
Figure 6.19 Need for specialised cleaning services



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Need for specialised Cleaning Service	3	3	2	0	1	9	3.8

Two-thirds of the respondents felt that the need for specialised cleaning was relevant to their decision to outsource (of which only half felt it was extremely relevant). The type of cleaning required in hotels and holiday flats requires a high standard that will pass the inspection of guests, and goes further than simply wiping down surfaces and mopping floors. It includes maintaining hygienic conditions in the kitchens and bars, as well as servicing rooms (making beds, vacuuming etc.).

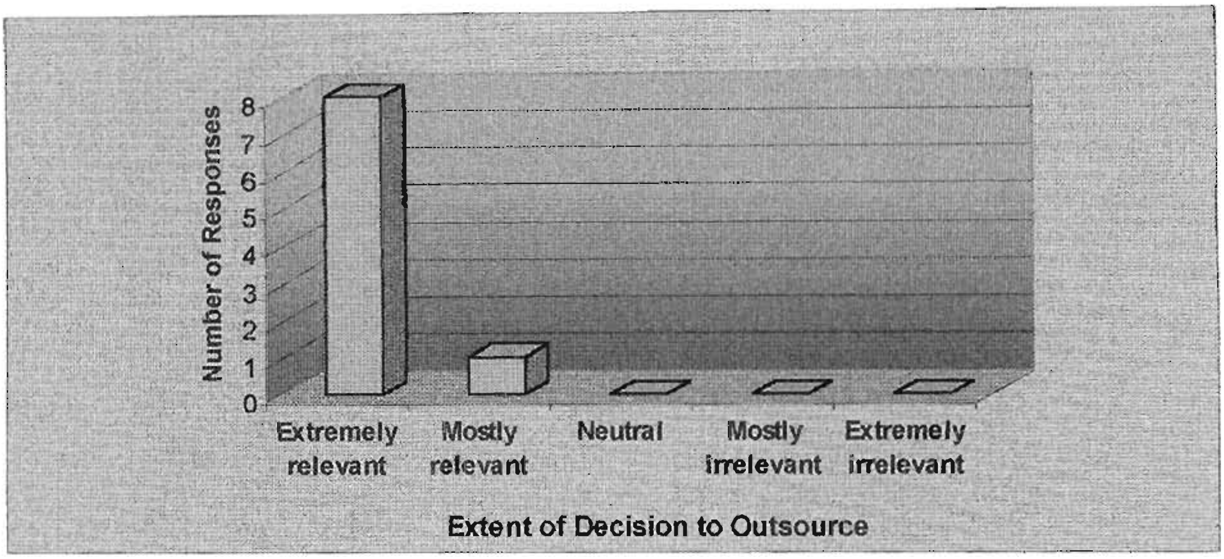
Figure 6.20 Company policy to outsource



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Company Policy to Outsource	3	0	6	0	0	9	3.7

Only a third of the respondents felt that company policy to outsource non-core functions was extremely relevant, with the remaining respondents being neutral on the reason. This does not appear to be a main driver for outsourcing in the hospitality industry.

Figure 6.21 Reduce labour problems



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Reduce Labour Problems	8	1	0	0	0	9	4.9

All the respondents said that reducing labour problems was relevant to the decision to outsource, with the vast majority stating that it was extremely relevant. This is not unexpected, as cleaning staff interface with guests far more than in other industries – in the event of any labour problems, it is the responsibility of the contract cleaning company to either resolve the issue or replace the cleaners.

6.3.1 Summary of findings

The reasons given by respondents for outsourcing, in order of relevance, are:

- reduction of labour problems (mean score 4.9);
- need for specialised cleaning (mean score 4.8);
- cheaper to outsource (mean score 4.5);
- company policy to outsource (mean score 3.7).

6.4 Offices

Appendix 17 shows the original expectations and perception data. In this industry quality, consistency, service and assessment all need to be improved, with service being the one most urgently requiring attention. Price and innovation are low-priority attributes, and the resources of the company should therefore be focused firstly on service, then on quality and consistency, and then on assessment.

Figure 6.22 Relative Preference Map

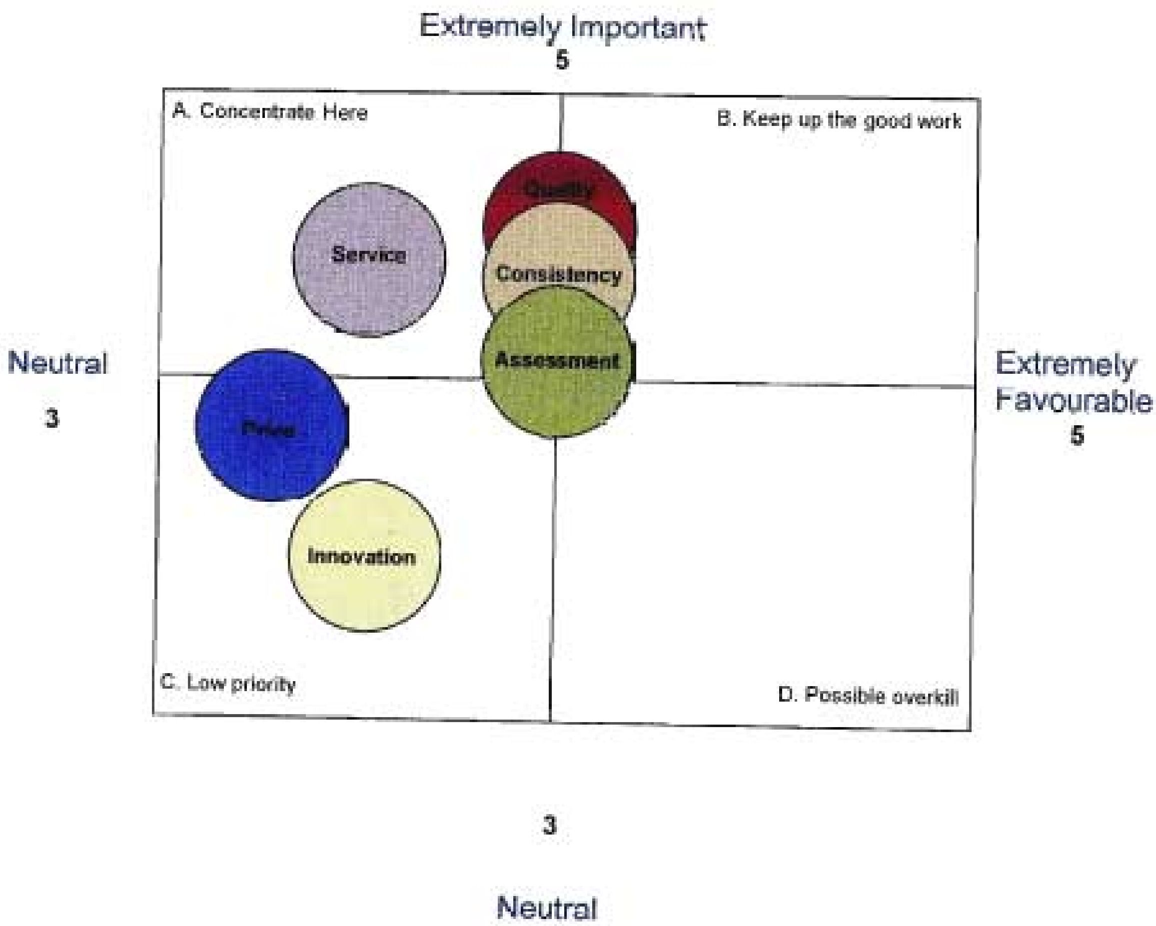
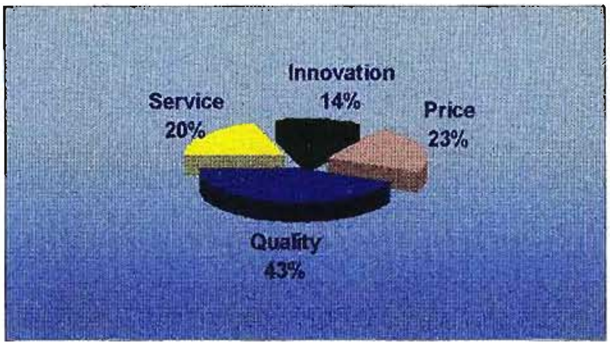


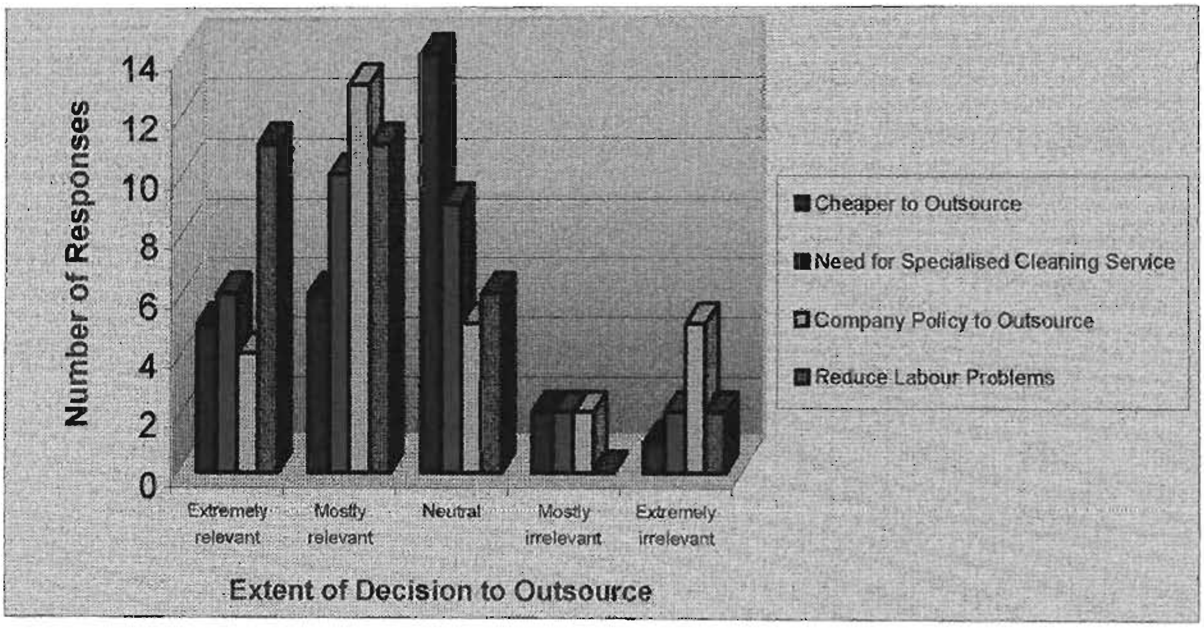
Figure 6.23 Paired comparison



Service	Innovation	Price	Quality	Total
24	17	28	51	120
20%	14%	23%	43%	100%
3	4	2	1	Rank

The paired comparison shows that offices find quality to be most important, followed by price, service and innovation. The original data are shown in appendix 5.

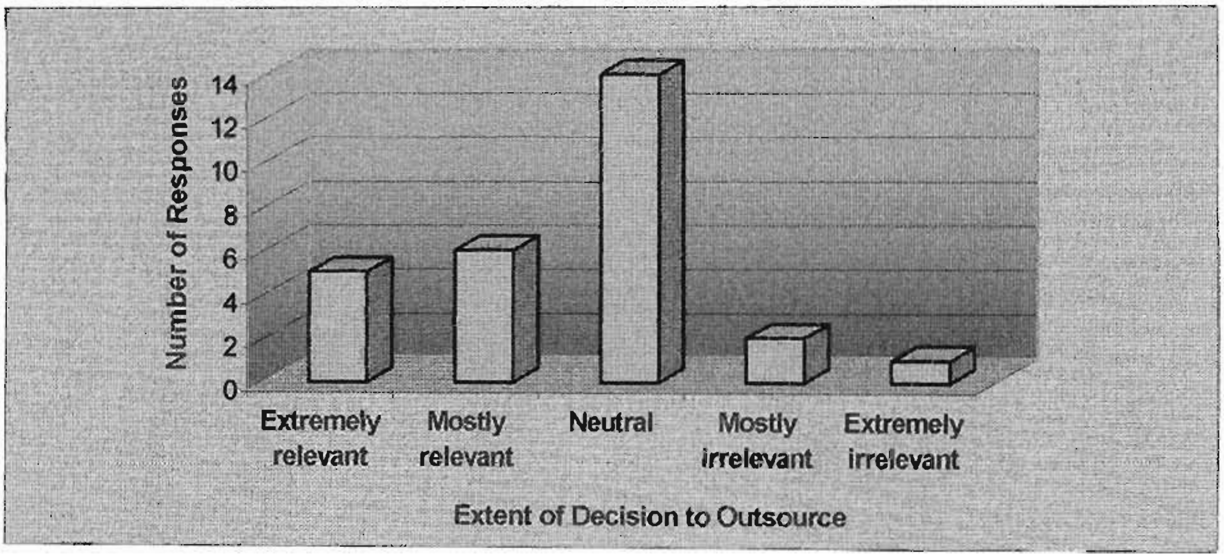
Figure 6.24 Reasons for outsourcing



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Cheaper to Outsource	5	6	14	2	1	28	3.4
Need for Specialised Cleaning Service	6	10	9	2	2	29	3.6
Company Policy to Outsource	4	13	5	2	5	29	3.3
Reduce Labour Problems	11	11	6	0	2	30	4.0

This graph shows the combined responses for relevance of the reason to outsource.

Figure 6.25 Cheaper to outsource



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Cheaper to Outsource	5	6	14	2	1	28	3.4
Chi-squared goodness-of-fit = 18.7858							

Only a third of the respondents found that the relative cheapness of outsourcing was relevant to the decision to outsource, with half being neutral. Offices usually require fewer cleaning staff than the other industries, and have less demanding cleaning requirements than hospitals, hotels and shopping centres, owing to less stringent requirements and less traffic.

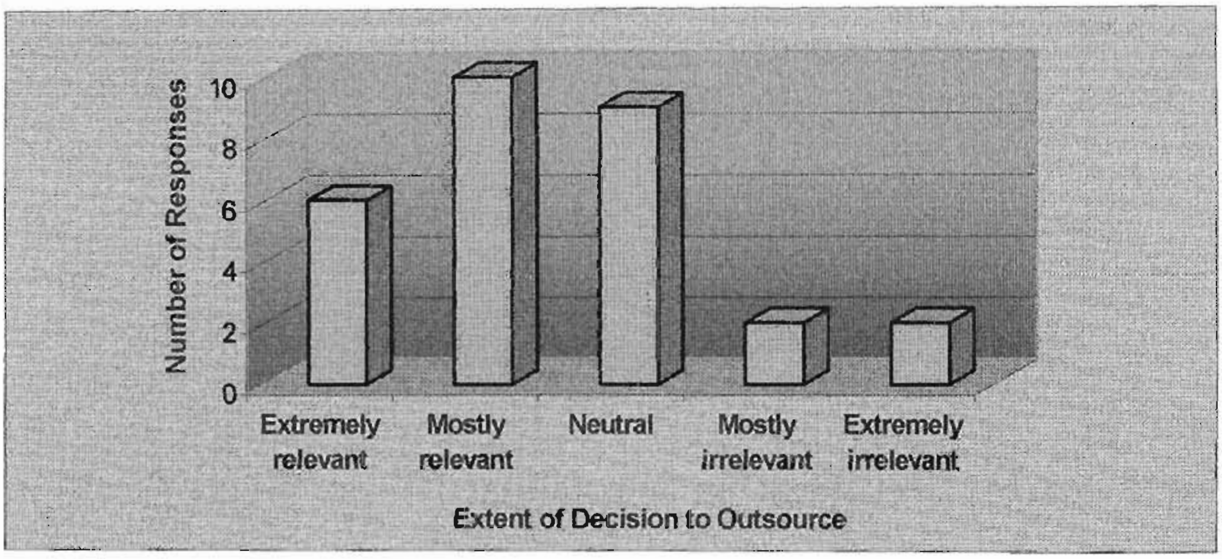
d.f. = 4

E_1 = 5.6

χ^2 = 18.7858

Therefore null hypothesis rejected where p = 0.005. In other words, there is a 99.5% certainty that this result is not due to chance.

Figure 6.26 Need for specialised service



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Need for Specialised Cleaning Service	6	10	9	2	2	29	3.6
Chi-squared goodness-of-fit = 9.7932							

Over half of the respondents felt that the need for specialised cleaning was relevant to the decision to outsource, with a third neutral. This is surprising in that the type of cleaning supplied to offices is not as specialised as that supplied to the healthcare and hospitality industries, and further investigation may be necessary to discover exactly why offices need "specialised" cleaning.

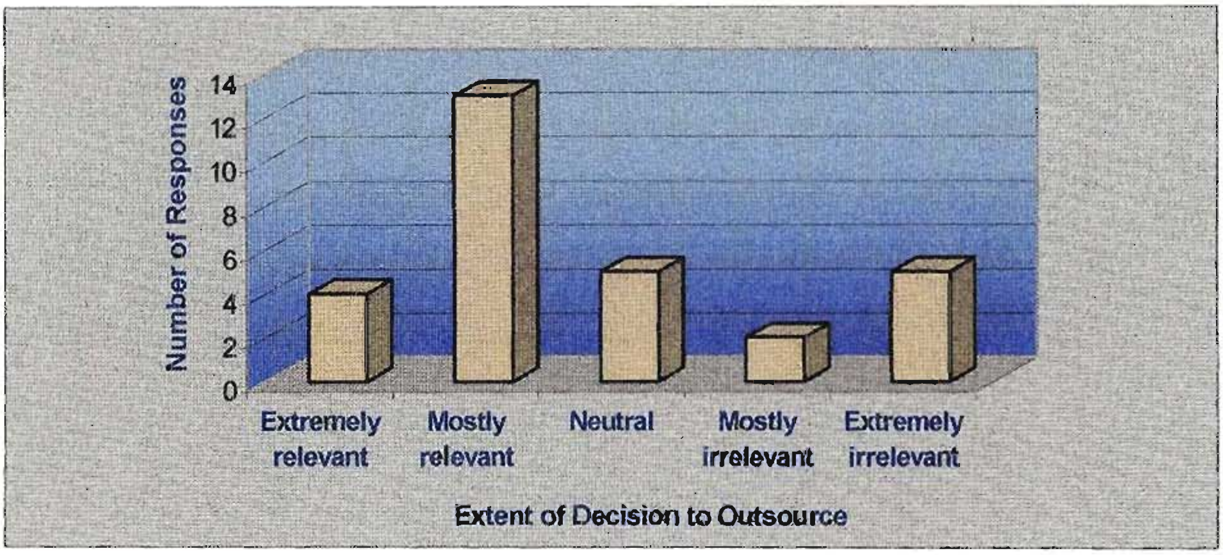
d.f. = 4

E_i = 5.8

χ^2 = 9.7932

Therefore null hypothesis rejected where p = 0.05. In other words, there is a 95% certainty that this result is not due to chance.

Figure 6.27 Company policy to outsource



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Company policy to outsource	4	13	5	2	5	29	3.3
Chi-squared goodness-of-fit = 12.2068							

Over half of the respondents stated that their company policy of outsourcing non-core functions was relevant to the decision to outsource. This is far more than with the healthcare and hospitality industries, and reflects the corporate trend to outsource.

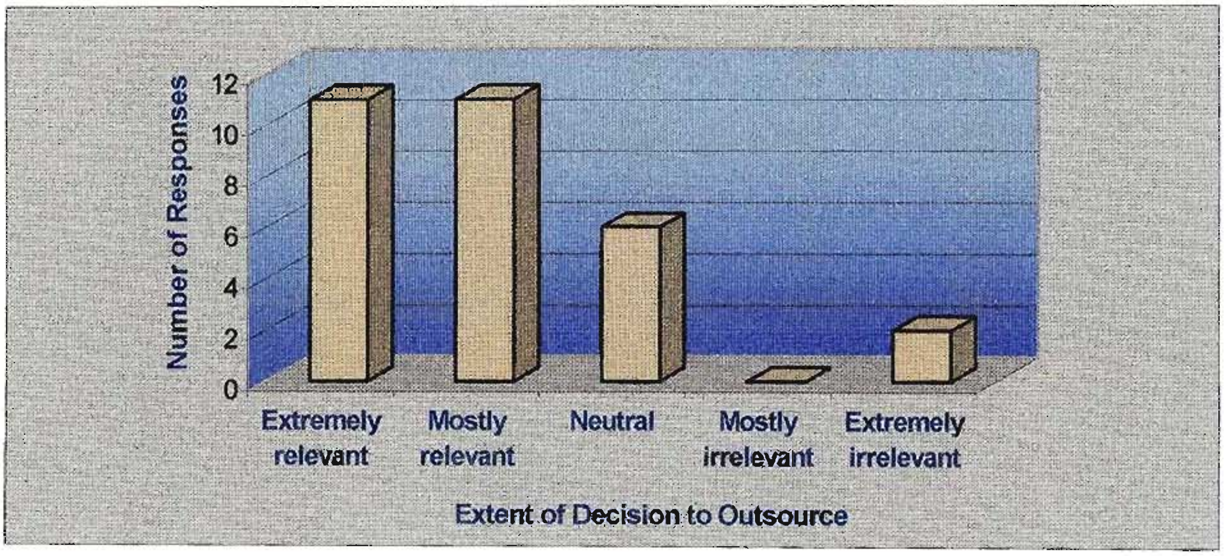
d.f. = 4

$\mathbf{E_i}$ = 5.8

χ^2 = 12.2068

Therefore null hypothesis rejected where p = 0.025. In other words, there is a 97.5% certainty that this result is not due to chance.

Figure 6.28 Reduce labour problems



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Reduce labour problems	11	11	6	0	2	30	4.0
Chi-squared goodness-of-fit = 17.0004							

Well over two-thirds of the respondents felt that reducing labour problems was relevant to the decision to outsource (of which half felt it was extremely relevant).

d.f. = 4

E_i = 6

χ^2 = 17.0004

Therefore null hypothesis rejected where p = 0.005. In other words, there is a 99.5% certainty that this result is not due to chance.

6.4.1 Summary of findings

The reasons given by respondents for outsourcing, in order of relevance, are:

- reduction in labour problems (mean score 4.0);
- need for specialised cleaning (mean score 3.6);
- cheaper to outsource (mean score 3.4);
- company policy to outsource (mean score 3.3).

Chi-square tests show all responses have a 95% or better certainty that the frequency of responses in each category is not due to chance.

6.5 Shopping centres

Appendix 18 shows the original expectations and perception data.

In this industry, consistency, service, quality and assessment all meet the clients' high expectations. Price and innovation, once again, are low-priority attributes.

Figure 6.29 Relative preference map

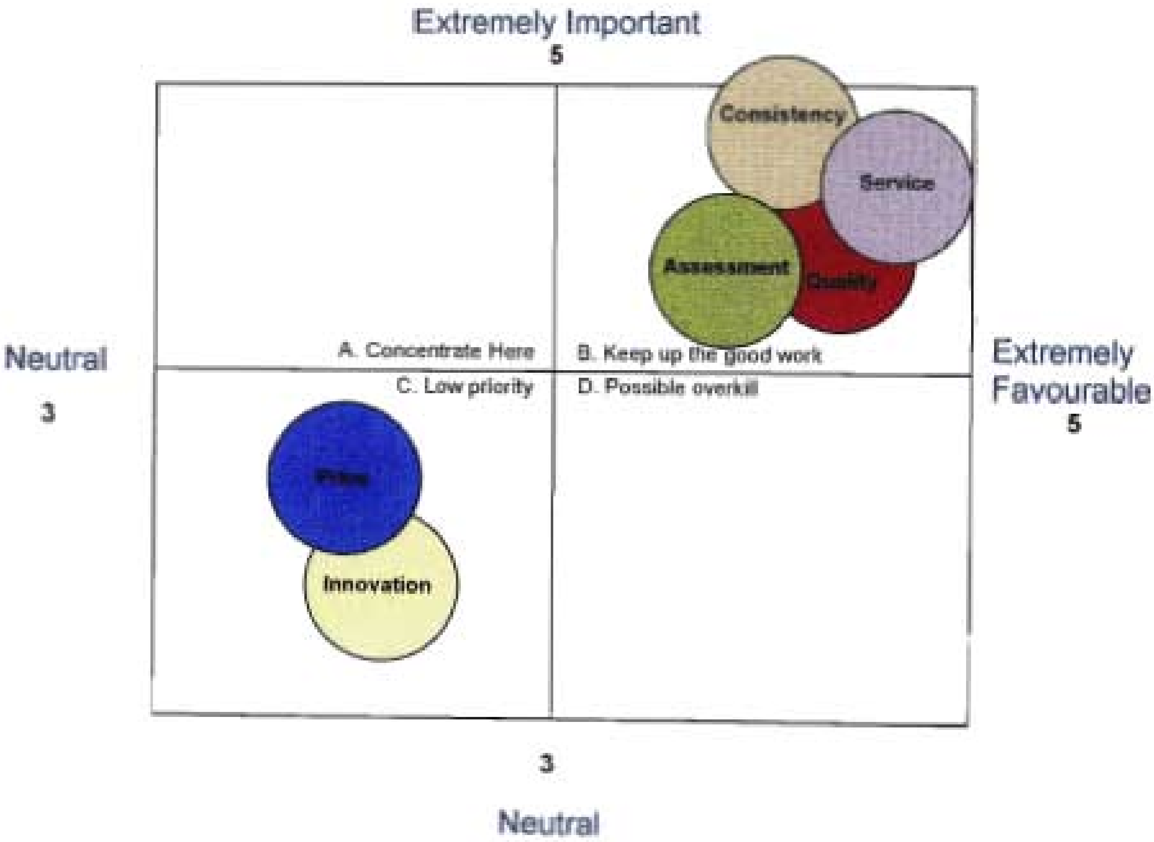
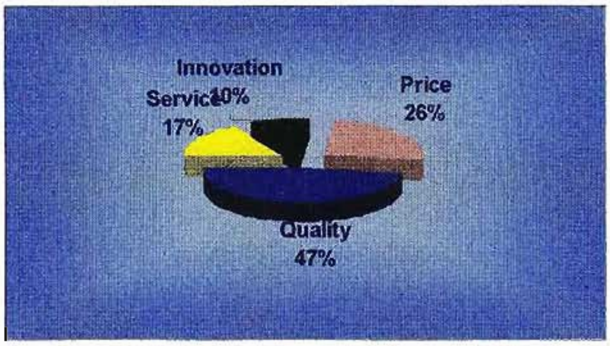


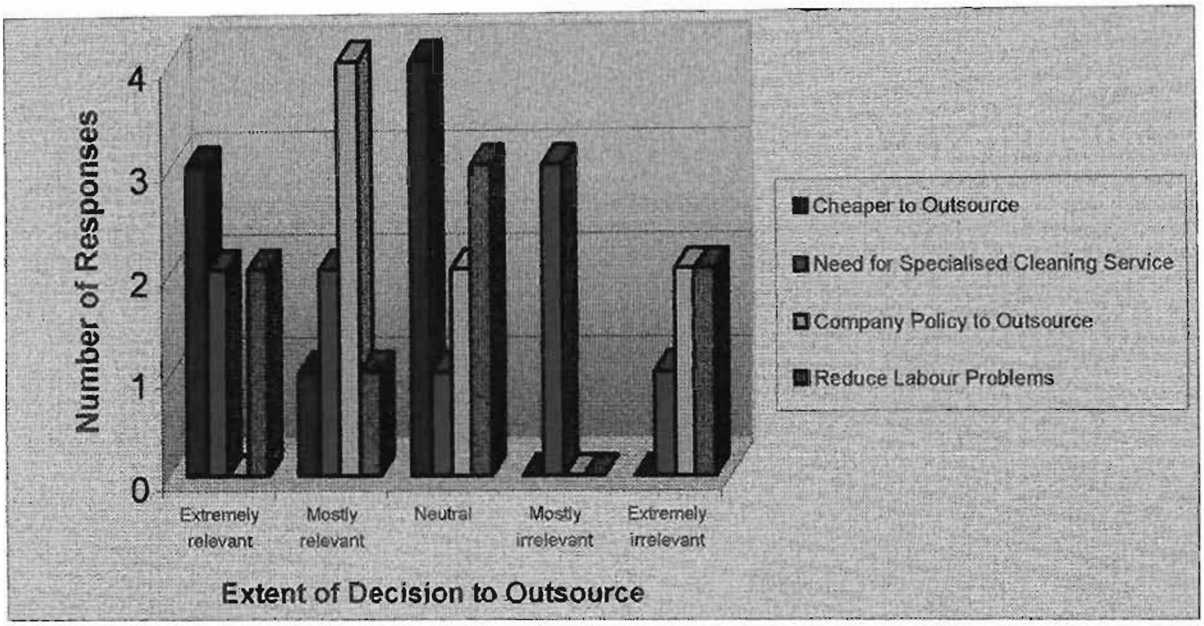
Figure 6.30 Paired comparison



Service	Innovation	Price	Quality	Total
7	4	11	20	42
17%	10%	26%	48%	100%
3	4	2	1	Rank

The paired comparison shows that quality is by far the most important, then price, then service and then innovation. The original data are shown in appendix 6.

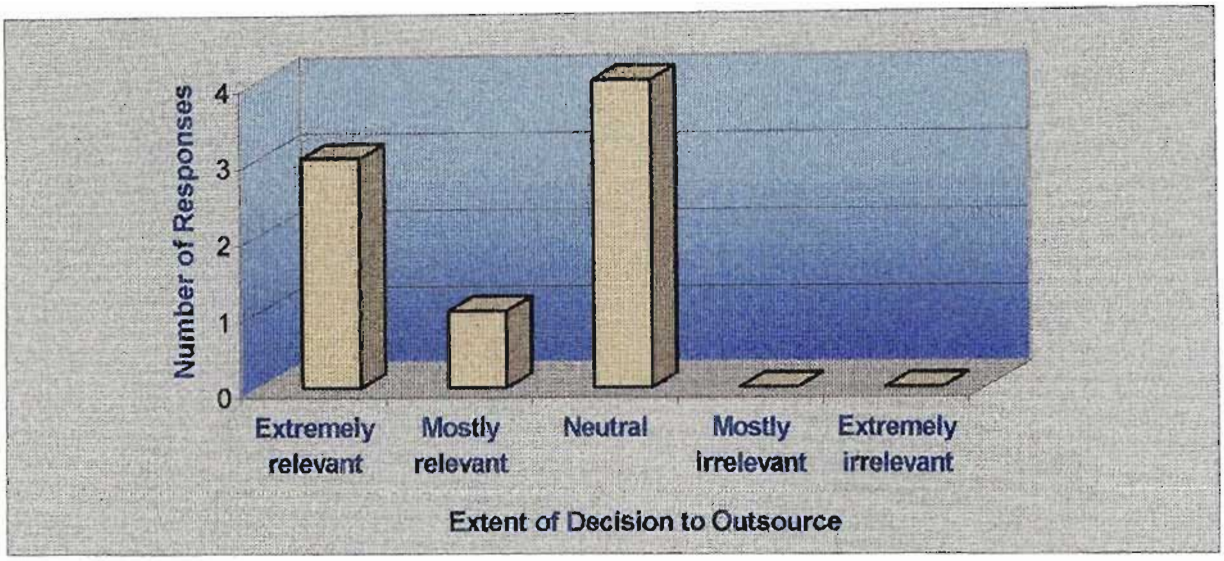
Figure 6.31 Reasons for outsourcing



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Cheaper to Outsource	3	1	4	0	0	8	3.9
Need for Specialised Cleaning Service	2	2	1	3	1	9	3.1
Company Policy to Outsource	0	4	2	0	2	8	3
Reduce Labour Problems	2	1	3	0	2	8	3.1

This graph shows the combined responses for relevance of the reason to outsource.

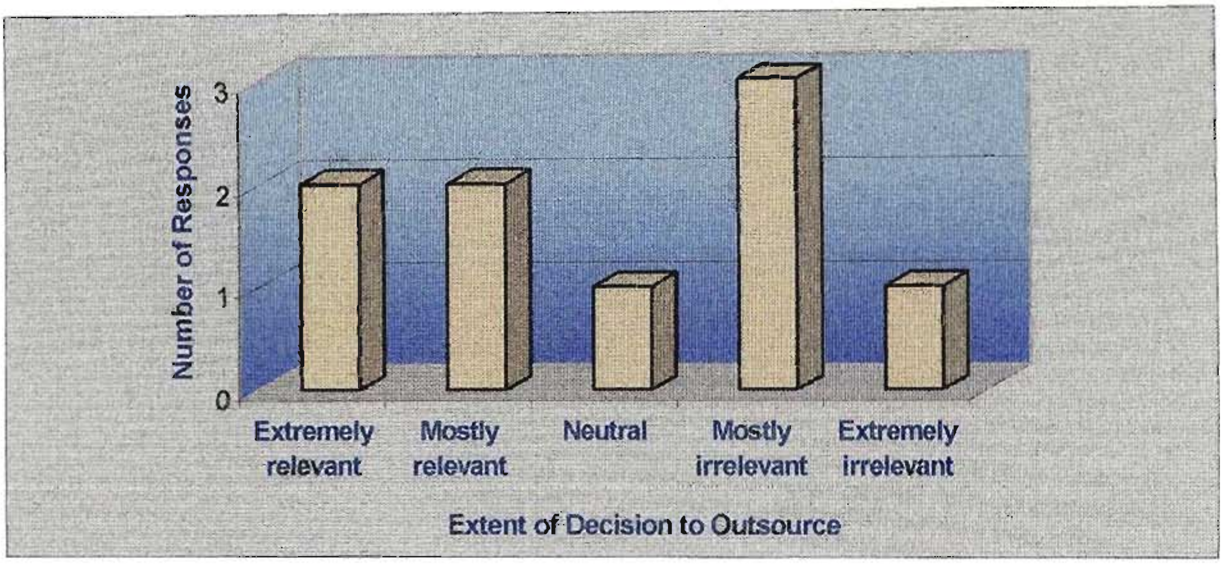
Figure 6.32 Cheaper to outsource



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Cheaper to outsource	3	1	4	0	0	8	3.9

Half of the respondents found that the relative cheapness of outsourcing was relevant to the decision to outsource (of which three quarters felt it was extremely relevant), with the other half being neutral.

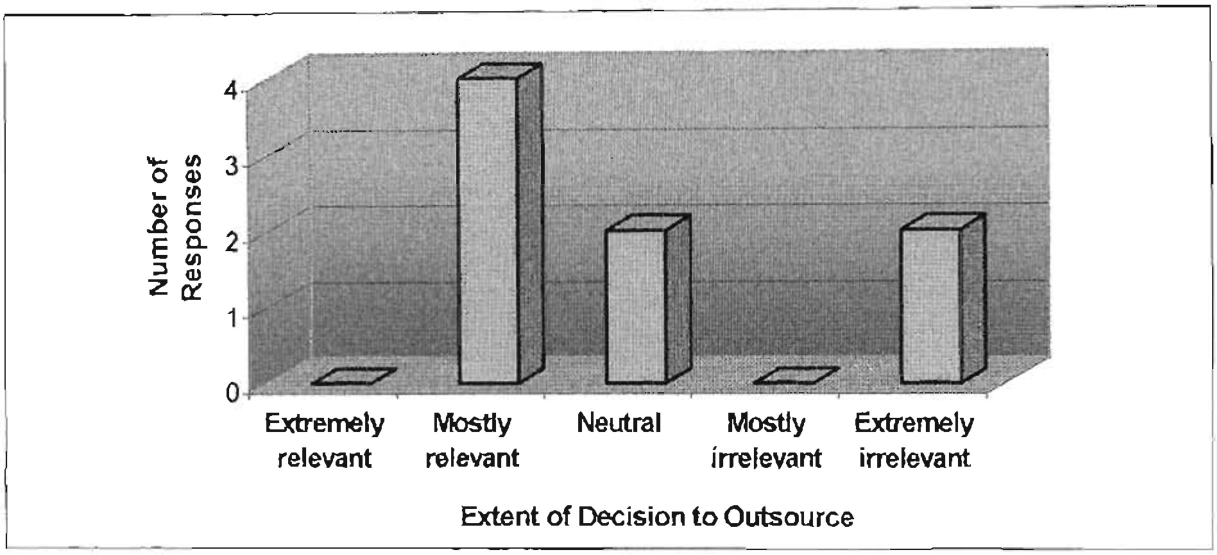
Figure 6.33 Cheaper to outsource



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Need for specialised cleaning service	2	2	1	3	1	9	3.1

Half of the respondents felt that the need for specialised cleaning was relevant to the decision to outsource (of which half felt it was extremely relevant), with the other half either neutral or finding it to be irrelevant.

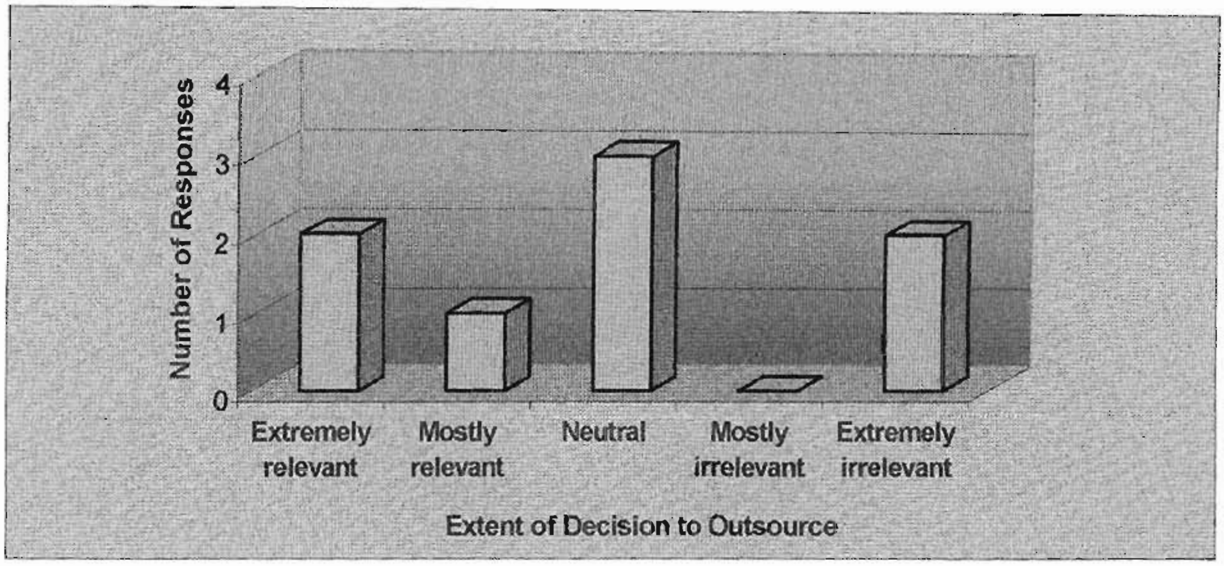
Figure 6.34 Company policy to outsource



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Company policy to outsource	0	4	2	0	2	8	3.0

Half of the respondents felt that company policy to outsource was mostly relevant to the decision to outsource, with the other half either neutral or finding it to be irrelevant.

Figure 6.35 Reduce labour problems



	Extremely Relevant	Mostly Relevant	Neutral	Mostly Irrelevant	Extremely Irrelevant	Total	Mean
Reduce labour problems	2	1	3	0	2	8	3.1

Less than half of the respondents felt that reducing labour problems was relevant to the decision to outsource (of which two-thirds felt it was extremely relevant), with over a third being neutral and the remainder finding it to be extremely irrelevant. This contrasts with the other industries, where this is one of the most relevant reasons to outsource.

6.5.1 Summary of findings

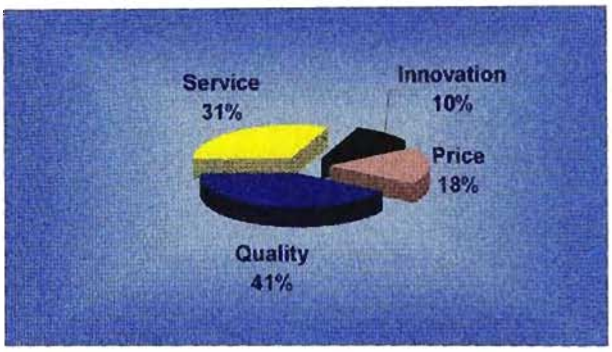
The reasons given by respondents for outsourcing, in order of relevance, are:

- cheaper to outsource (mean score 3.9);
- need for specialised cleaning (mean score 3.1);
- reduce labour problems (mean score 3.1);
- company policy to outsource (mean score 3.6].

6.6 Pilot Survey

Owing to the changes made to the pilot survey, only the paired comparison answers can be compared to the revised questionnaire.

Figure 6.36 Paired comparison



Service	Innovation	Price	Quality	Total
12	4	7	16	39
31%	10%	18%	41%	100%
2	4	3	1	Rank

The findings from the pilot survey were that quality was most important, followed by service, then price, and then innovation. In the main survey, quality was also found to be more important, but that price was more important than service. Innovation was found to be less important. However, the difference between service and price is marginal across the various industries (with the exception of the healthcare industry), and with the pilot survey consisting of only seven respondents, this is not unexpected. What is consistent is that quality is by far the most important attribute of contract cleaning (with the exception of the healthcare indusry), and that innovation is relatively unimportant.

6.7 Segmentation bases: perceptions and expectations

All clusters in which the majority of the clients rated the attribute as being greater than or equal to 4 (question 6: mostly important – extremely important; and question 7: mostly favourable – extremely favourable), or less than or equal to 3 (question 6: neutral – extremely unimportant; question 7: neutral – extremely unfavourable) have been summarised in tabular form below. The original data are shown in appendix 7.

Table 6.1 Client segments based on perceptions and expectations

	Expectation		Perception	
Attribute	Greater than or equal to 4 – "High"	Less than or equal to 3 – "Low"	Greater than or equal to 4 – "High"	Less than or equal to 3 – "Low"
Price	**1; 2**	**3; 4**	**2; 4**	**1; 3**
Service	1; 2; 3; 4		1; 2; 3; 4	
Quality	1; 2; 3; 4		1; 2; 3; 4	
Innovation	**2; 4**	**1; 3**	**2; 4**	**1; 3**
Assessment	1; 2; 3; 4		1; 2; 3; 4	
Consistency	1; 2; 3; 4		1; 2; 3; 4	
Possible Segments	**1; 2** **2; 4**	**1; 3** **3; 4**	**2; 4**	**1; 3**

LEGEND

1: Financial Institutions; Educational Institutions; Government/Local Authorities; Offices
2: Hospitals; Clinics
3: Industrial/Factories; Retail/Shopping Centres; Property Managers
4: Hotels/Flats

If clients are to be segmented on these bases (expectations and perceptions), two segments that have similar *high expectations* are clusters 1 and 2 (price), and 2 and 4 (innovation). 3 and 4 (price) and 1 and 3 (innovation) also have similar *low expectations*. The segment for similar *high perceptions* is 2 and 4 (price and innovation); for *low perceptions* clusters 1 and 3 (price and innovation) are identifiable. No other segments that are measurable, substantial, accessible, differentiable and actionable are apparent.

Table 6.2 Segmentation bases: reason for outsourcing

	Relevance of reason for outsourcing: question 5	
Reason	Greater than or equal to 4	Less than or equal to 3
Cheaper	3; 4	1; 2
Specialised cleaning	1; 2; 4	3
Company policy	1; 3	2; 4
Labour problems	1; 2; 4	3

LEGEND

1: Financial Institutions; Educational Institutions; Government/Local Authorities; Offices
2: Hospitals; Clinics
3: Industrial/Factories; Retail/Shopping Centres; Property Managers
4: Hotels/Flats

The above represents clusters that have similar reasons for outsourcing; the marketing of contract cleaning to these clusters can be tailored to communicate the relevant benefits to each cluster. The original data are shown in appendix 8.

6.8 Customer loyalty

The hypothesis was that the longer clients had been with the company, the more satisfied they would be with the way their complaints were handled. However, the data contradicts this hypothesis. 46% of all respondents had been with the company for longer than four years, yet of all the respondents who were extremely satisfied with the outcome of any complaints, only 47% had been clients for more than four years. Of the clients who were mostly satisfied with the outcome, 50% had been clients for more than four years. Using the satisfaction rating for question 9 as a rough satisfaction guide, it is apparent that clients who have been with the company for over four years are not more satisfied than clients who have been with the company for shorter periods of time. It thus appears that, if client satisfaction is used as a measure for client loyalty, Kleen Co does not appear to be nurturing client satisfaction amongst its older clients. The original data are shown in appendix 9.

7 RECOMMENDATIONS

Kleen Co should use the results of the survey as a marketing tool in that different benefits can be highlighted for different clients. In other words, commonalities exist within the industry-specific segments in terms of expectations, perceptions and benefits, and these should form the basis for identifying new client segments.

The perceptual maps created for each industry segment, together with the paired comparison, indicate what needs to be done at all levels of Kleen Co (from pricing at senior management level to service delivery at cleaning staff level). For example, all segments rate quality of cleaning as being the most important, except for the healthcare segment, where it is held to be as important as price. In order for Kleen Co to be able to deliver a better service, it must bear in mind that a service is different in many respects to a product. The intangibility, simultaneity, heterogeneity, perishability and lack of ownership all need to be actively managed.

Caruana and Pitt (1997) provide an alternative to customer surveys – a 14-point checklist (see annexure 30) that describes good business practice, and makes management recommendations. The key areas, together with recommendations, are:

Corporate mission and culture

The need to accept zero errors as improving business performance is more than adding a reliability goal to the mission statement. Directors need to demonstrate that reduction of service errors is a core element of corporate attitudes. This means that reliability should be rewarded and failure to deliver never "punished", but also never tolerated. Key actions for management might include:

- The celebration of service performance showing dramatic improvement and approaching zero errors;
- senior management experience and involvement in service delivery;
- the acceptance of responsibility for service performance.

Customer focus

Regardless of how one assesses service quality, it is the customers who define that quality. The emphasis must fall on customer service rather than organisational efficiency and cost control. This does not mean that the company should not seek the most cost-effective means of satisfying customer requirements, but stresses the fact that it is the customer is more important than the process. Managers need to:

- create ways of collecting and assessing customer attitudes, expectations, needs and opinions;

- use database-marketing techniques to establish flexible provision of the service;
- involve customers in the development and amendment of services;
- encourage customer complaints and react to the problems identified.

Training and management development

The quality of staff determines the level of service and degree of success. It is not just a case of recruiting the best, but also of making sure that training and development programmes relate the needs and expectations of customers. Managers must design such programmes to include:

- skills training related to what customers expect from service staff.
- management development programmes including customer service theory and best practice.
- cross-training to ensure managers and staff understand all service tasks and functions.
- support and empowerment systems allowing front-line staff to solve problems.

Communications

Internal and external communications need to reflect the mission, objectives and expectations of the business. Such communications must:

- include the commitment to reliability (zero errors) in all communications;
- create ways of using internal communications to share ideas and problems relating to service delivery;
- make sure communications match the reliability of your service.

Service planning

New and existing services need the involvement of all those who contribute to the service, not just the marketers. Cross-functional teams are useful as a means of bridging gaps between functions and ensuring effective delivery. This can be done in the following manner:

- set up management information systems relating to reliability issues;
- ensure that all functional planners share the same information and meet regularly;
- plan for the introduction of new technology to improve reliability and effectiveness, rather than reduce costs;
- minimise disruption for front-line service staff.

Customer loyalty is another aspect that the company will want to improve. At present, there appears to be no loyalty, in the sense that long-standing clients do not appear to be any more satisfied with the outcomes to their complaints than do newer clients. This suggests that clients may switch to competitors if they promise better service.

To retain clients, Kleen Co should encourage them to enter into long-term contracts (at present very few, if any, are contractually bound to notice periods exceeding one month). Encouragement could be given either in the way of straight discounts or by adding value to the cleaning service at no extra cost. An example of the latter might be to give clients an annual "spring clean" of the premises, providing extra staff for a day or two.

Contract cleaning is a highly competitive industry. It is labour-intensive and low-tech, with low barriers to entry. Differentiation is best achieved by delivering superior customer service and adding value through giving clients precisely what they need. With a better understanding of the particular problem that the client wants solved, the service can be continually modified to allow greater customisation.

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	Questions																											
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Appendix 1: All responses

Appendix 1: All responses

Respondents	Questions																											
43	1	1	3							3	4	4	4	4	4	4	3	4	4	3	4	4	3	4	4	2	4	1
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45	1	8	3							3	3	3	3	4	4	5	3	4	5	3	4	5	3	4	5	2	5	1
46	5	11	2	1	2	1	2	1	2	3	1	1	1	3	5	5	3	3	5	3	3	3	3	3	4	1		1
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59	5	4	6							1	5	3	1	4	5	5	5	4	5	4	3	3	4	4	4	2	4	1
60	3	11	2							3	4	4	4	3	4	4	3	4	4	3	4	4	3	4	4	1		1

Appendix 2: Paired comparison - all responses

Q	4.1	4.2	4.3	4.4	4.5	4.6
1						
2	1	2	1	2	2	2
3						
4	1	2	1	2	1	2
5	1	1	1	2	1	2
6	1	2	1	2	2	2
7	1	1	1	2	1	2
8	1	1	1	2	1	1
9	1	1	1	2	2	2
10	1	2	1	2	1	2
11	2	1	1	2	1	2
12						
13	1	1	1	2	2	2
14	1	1	1	2	2	1
15						
16	1	1	1	2	1	1
17	1	2	1	2	2	2
18	2	1	1	1	2	2
19	1	2	1	2	2	2
20	2	1	1	2	1	2
21	2	1	1	2	2	2
22	1	1	1	2	1	2
23	1	1	1	2	1	2
24						
25						
26	1	1	1	2	2	2
27	1	1	1	2	1	1
28	1	1	1	2	1	1
29	1	1	1	2	1	2
30	2	1	1	2	2	2
31						
32						
33	1	2	1	2	1	2
34	1	1	1	2	1	2
35	2	1	1	1	2	2
36	1	2	1	2	1	2
37	1	1	1	2	2	1
38	1	1	1	2	1	2
39	1	2	1	2	1	2
40	2	1	1	2	2	2
41	1	1	1	1	1	1
42	1	2	1	2	2	2
43						
44	1	1	1	2	1	1
45						
46	1	2	1	2	1	2
47						
48	1	1	1	2	2	2
49						
50	2	2	1	2	1	1
51						
52	1	1	1	1	1	1
53						
54						
55	1	2	1	2	2	2

	Service	Innovative	Price	Quality	
Service	0	8	27	36	71
Innovative	32	0	23	40	95
Price	13	17	0	30	60
Quality	4	0	10	0	14
Total	49	25	60	106	240
%	**20%**	**10%**	**25%**	**44%**	100%
Rank	**3**	**4**	**2**	**1**	

Service	20.00%
Innovative	10.00%
Price	25.00%
Quality	45.00%

Appendix 3: Healthcare responses

Q	1	2	3	4.1	4.2	4.3	4.4	4.5	4.6	5.1	5.2	5.3	5.4	6.1	6.2	6.3	6.4	6.5	6.6	7.1	7.2	7.3	7.4	7.5	7.6	8	9	10
2	5	4	7	1	2	1	2	2	2	3	5	5	3	3	5	5	5	5	5	3	3	3	3	3	3	4	3	3
3	5	4	8							2	3	3	5	4	4	5	3	3	4	4	4	4	4	4	4	1		1
4	5	4	6	1	2	1	2	1	2	3	4	3	3	4	4	4	3	3	4	3						3	3	1
5	5	4		1	1	1	2	1	2	5	5	3	5	4	5	5	4	5	5	4	5	5	4	5	5	2	5	1
7	5	4	8	1	1	1	2	1	2	5	5	5	5	4	5	5	4	4	5	3	4	5	5	5	4	3	4	1
8	4	4	5	1	1	1	2	1	1	1	1	3	5	5	5	4	2	3	5	4	4	4	1	3	3	2	4	1
59	5	4	6							1	5	3	1	4	5	5	5	4	5	4	3	3	4	4	4	2	4	1
				Reason to outsource						2.9	4	3.6	3.7															
													Importance	3.7	4.7	4.7	3.7	3.9	4.7									
																			Rate	2.7	3.3	4	3.5	4	3.8			

PAIRED COMPARISON

Q	4.1	4.2	4.3	4.4	4.5	4.6		Service	Innovative	Price	Quality	
2	1	2	1	2	2	2	*Service*	0	0	3	5	
3							*Innovative*	5	0	4	5	
4	1	2	1	2	1	2	*Price*	2	1	0	1	
5	1	1	1	2	1	2	*Quality*	0	0	4	0	
7	1	1	1	2	1	2	*Total*	7	1	11	11	30
8	1	1	1	2	1	1	%	23%	3%	37%	37%	100%
59							*Rank*	3	4	1	1	

Appendix 4: Hospitality responses

Q	1	2	3	4.1	4.2	4.3	4.4	4.5	4.6	5.1	5.2	5.3	5.4	6.1	6.2	6.3	6.4	6.5	6.6	7.1	7.2	7.3	7.4	7.5	7.6	8	9	10
31	4	9	5							1	1	3	5	1	4	5	2	3	5	3	4	5	1	3	5	2	4	1
33	2	9	8	1	2	1	2	1	2	4	4	5	4	3	5	5	3	5	5	3	3	3	3	3	3	5	5	1
34	2	9	7	1	1	1	2	1	2	5	3	3	5	5	5	5	4	4	5	5	5	5	4	4	4	2	5	1
35	3	9	6	2	1	1	1	2	2	5	3	5	5	3	4	4	4	5	4	4	5	4	4	4	5	2	4	1
36	5	9	6	1	2	1	2	1	2	5	5	3	5	5	5	5	4	4	5	4	5	5	5	4	5	2	4	1
37	3	9	6	1	1	1	2	2	1	3	4	3	5	5	5	5	5	5	5	3	5	4	4	4	4	2	5	1
38	5	9	5	1	1	1	2	1	2	5	5	5	5	3	5	5	5	5	5	4	4	4	3	4	4	3	5	1
39	5	9	6	1	2	1	2	1	2	5	5	3	5	5	5	5	4	4	5	4	5	5	5	4	5	2	4	1
44	5	9	3	1	1	1	2	1	1	3	4	3	5													1	5	1
					Reason to outsource					**4.5**	**4.8**	**3.7**	**4.9**															
													Important	**3.8**	**4.8**	**4.9**	**3.9**	**4.4**	**4.9**									
																			Rate	**3.8**	**4.5**	**4.4**	**3.6**	**3.8**	**4.4**			

Q	4.1	4.2	4.3	4.4	4.5	4.6
31						
33	1	2	1	2	1	2
34	1	1	1	2	1	2
35	2	1	1	1	2	2
36	1	2	1	2	1	2
37	1	1	1	2	2	1
38	1	1	1	2	1	2
39	1	2	1	2	1	2
44	1	1	1	2	1	1

PAIRED COMPARISON

	Servic	*Innovative*	*Price*	*Quality*	
Service	0	1	5	7	
Innovative	7	0	6	8	
Price	3	2	0	6	
Quality	1	0	2	0	
Total	11	3	13	21	48
%	23%	6%	27%	44%	100%
Rank	**3**	**4**	**2**	**1**	

Appendix 5: Offices responses

Q	1	2	3	4.1	4.2	4.3	4.4	4.5	4.6	5.1	5.2	5.3	5.4	6.1	6.2	6.3	6.4	6.5	6.6	7.1	7.2	7.3	7.4	7.5	7.6	8	9	10
1	2	1	3							5	5	5	5	5	5	5	2	4	3	2	4	4	4	4	4	1	3	1
14	5	1	2	1	1	1	2	2	1	3	3	4	3	4	5	5	4	5	5	3	4	4	4	4	4	2	5	1
24	4	1	2	2	1		2			2	5	2	4	5	5	5	5	5	5	3	4	4	3	3	3	2	3	1
30	2	1	1	2	1	1	2	2	2	4	2	1	3	4	4	4	3	5	5	4	4	4	3	4	5	1		1
41	5	1	2	1	1	1	1	1	1	3	3	5	5	5	5	5	3	4	5	4	4	4	3	3	4	3	4	1
43	1	1	3							3	4	4	4	4	4	4	3	4	4	3	4	4	3	4	4	2	4	1
50	5	1	3	2	2	1	2	1	1	2	3	4	5	4	5	5	5	3	5	3	2	2	2	3	2	3	3	3
55	2	1	5	1	2	1	2	2	2	4	4	4	4	4	5	5	4	4	5	3	4	4	4	5	4	2	4	1
13	5	2	8	1	1	1	2	2	2	1	5	3	5	3	5	5	5	6	5	4	5	5	5	5	5	2	5	1
15	4	3	3																							2	5	1
6	5	11	4	1	2	1	2	2	2	3	5	3	3	3	5	5	5	5	5	3	2	2	2	2	2	2	2	2
10	2	11	2	1	2	1	2	1	2	3	1	1	3	3	5	5	3	3	5	4	3	4	3	3	5	1		1
11	5	11	4	2	1	1	2	1	2	4	5	5	4	4	5	5	4	4	4	4	4	4	4	4	4	2	5	1
12	2	11	2	2	1	1								5	5	4	3	3	4	4	4	4	4	4	3	3	4	1
16	5	11	1	1	1	1	2	1	1	3	3	1	3	5	4	4	2	2	4	3	4	4	2	3	3	2	4	1
17	5	11	1	1	2	1	2	2	2	3	4	2	5	4	4	5	3	4	5	3	5	4	3	3	4	2	4	1
18	5	11	3	2	1	1	1	2	2	4	3	4	5	4	4	5	3	5	5	4	5	5	5	5	5	2	5	1
20	3	11	3	2	1	1	2	1	2				5						5						5	2	5	1
21	1	11	1	2	1	1	2	2	2		4	4	4	2	5	5	4	5	5	3	3	3	1	3	3	2	4	1
26		11	2	1	1	1	2	2	2	4	4	4	4															
27	1	11	2	1	1	1	2	1	1	5	2	4	5	5	4	4	3	3	4	3	4	5	2	3	5	1	5	1
42	5	11	4	1	2	1	2	2	2	3	4	1	1	3	4	4	3	4	4	4	4	4	3	4	4	2	4	1
46	5	11	2	1	2	1	2	1	2	3	1	1	1	3	5	5	3	3	5	3	3	3	3	3	4	1		1
48	5	11	4	1	1	1	2	2	2	5	3	3	5	4	5	5	4	4	5	4	5	5	4	4	5	1		1
49	1	11	5							4	3	3	4	5	4	3	3	4	4	3	4	4	3	4	4	1		1
51	2	11	1							3	3	3	3	3	4	4	3	4	4	3	4	4	3	4	4	2	4	1
52	3	11	2	1	1	1	1	1	1	5	5	6	5	5	5	5	5	5	5	4	5	5	5	4	5	5	6	1
53	4	11	5							3	4	4	4	3	5	5	4	5	5	3	4	5	4	5	5	1		1
56	4	11	4							3	3	4	4	3	4	4	3	4	4	3	4	4	3	3	4	1		1
57	5	11	5							5	4	4	5	5	5	5	4	5	5	3	4	4	3	3	4	2	4	1
58	3	11	3							3	4	4	4	3	5	5	3	5	5	3	4	3	3	3	2	3	4	3
60	3	11	2							3	4	4	4	3	4	4	3	4	4	3	4	4	3	4	4	1		1
					Reason to outsource					3.4	3.6	3.3	4															
													Importance	3.9	4.6	4.6	3.5	4.1	4.6									
																			Rate	3.3	3.9	4	3.4	3.7	4			

PAIRED COMPARISON

Q	4.1	4.2	4.3	4.4	4.5	4.6
1						
14	1	1	1	2	2	1
24						
30	2	1	1	2	2	2
41	1	1	1	1	1	1
43						
50	2	2	1	2	1	1
55	1	2	1	2	2	2
13	1	1	1	2	2	2
15						
6	1	2	1	2	2	2
10	1	2	1	2	1	2
11	2	1	1	2	1	2
12						
16	1	1	1	2	1	1
17	1	2	1	2	2	2
18	2	1	1	1	2	2
20	2	1	1	2	1	2
21	2	1	1	2	2	2
26	1	1	1	2	2	2
27	1	1	1	2	1	1
42	1	2	1	2	2	2
46	1	2	1	2	1	2
48	1	1	1	2	2	2
49						
51						
52	1	1	1	1	1	1
53						
56						
57						
58						
60						

	Service	Innovative	Price	Quality	
Service	0	6	13	17	36
Innovative	14	0	9	20	43
Price	7	11	0	14	32
Quality	3	0	6	0	9
Total	24	17	28	51	120
%	20%	14%	23%	43%	100%
Rank	3	4	2	1	

Appendix 5: Offices responses

Appendix 6: Shopping centres responses

Q	1	2	3	4.1	4.2	4.3	4.4	4.5	4.6	5.1	5.2	5.3	5.4	6.1	6.2	6.3	6.4	6.5	6.6	7.1	7.2	7.3	7.4	7.5	7.6	8	9	10
9	5	8	5	1	1	1	2	2	2	4	4	4	5							4	5	5	4	4	4	2	5	1
19	3	8	1	1	2	1	2	2	2	5	5	4	5	4	5	5	5	5	5	5	5	4	5	5	5	1		1
28	5	8	2	1	1	1	2	1	1	3	1	3	3	5	5	5	3	4	5	4	5	5	5	5	5	1		1
29	1	8	1	1	1	1	2	1	2	3	2	4	3	3	5	5	3	4	5	3	5	5	3	5	5	1		1
45	1	8	3							3	3	3	3	4	4	5	3	4	5	3	4	5	3	4	5	2	5	1
54	4	8	7							3	5	4	4	3	4	4	4	4	4	3	5	4	4	4	4	2	4	1
22	2	12	2	1	1	1	2	1	2	5	2	1	1	3	5	4	2	5	5	3	5	4	3	4	5	2		
23	2	12	2	1	1	1	2	1	2	5	2	1	1	3	5	4	2	5	5	3	5	4	3	3	3	5		
25	5	12	5			1					4					4					4					1	4	1
40	2	5	1	2	1	1	2	2	2					4	5	5	5	5	5	3	4	4	4	4	4	2	5	1
					Reason to outsource					3.9	3.1	3	3.1															
													Importance	3.6	4.8	4.6	3.4	4.5	4.9									
																			Rate	4	4.7	4.4	3.8	4.2	4.4			

Q	4.1	4.2	4.3	4.4	4.5	4.6
9	1	1	1	2	2	2
19	1	2	1	2	2	2
28	1	1	1	2	1	1
29	1	1	1	2	1	2
45						
54						
22	1	1	1	2	1	2
23	1	1	1	2	1	2
25						
40	2	1	1	2	2	2

PAIRED COMPARISON

	Service	*Innovative*	*Price*	*Quality*	
Service	0	1	6	7	
Innovative	6	0	4	7	
Price	1	3	0	6	
Quality	0	0	1	0	
Total	7	4	11	20	42
%	17%	10%	26%	48%	100%
Rank	3	4	2	1	

Appendix 7: Expectations and perceptions

Expectancy of Attribute (PRICE): Question 6.1.					
				Responses where attribute greater than or equal to 4 (mostly important - extremely important)	
	Cluster code*	Number of total responses from cluster	Responses where attribute less than or equal to 3 (neutral - mostly unimportant extremely unimportant)	**Number**	**% within cluster**
	1	29	11	**18**	**62%**
	2	7	1	**6**	**86%**
	3	8	4	**4**	**50%**
	4	8	4	**4**	**50%**
Total		52	20	32	

Cluster code*	Description
1	Financial Institutions; Educational Institutions; Government/ local Authorities; Offices
2	Hospitals/Clinics
3	Industrial/Factories; Retail/Shopping Centres; Property/Property Managers
4	Hotels/Flats

Perception of Attribute (PRICE): Question 7.1.					
				Responses where attribute greater than or equal to 4 (mostly favourable - extremely favourable)	
	Cluster code*	Number of total responses from cluster	Responses where attribute less than or equal to 3 (neutral - mostly unimportant extremely unimportant)	**Number**	**% within cluster**
	1	29	19	**10**	**34%**
	2	7	3	**4**	**57%**
	3	9	6	**3**	**33%**
	4	8	3	**5**	**63%**
Total		53	31	22	

Cluster code*	Description
1	Financial Institutions; Educational Institutions; Government/ local Authorities; Offices
2	Hospitals/Clinics
3	Industrial/Factories; Retail/Shopping Centres; Property/Property Managers
4	Hotels/Flats

Appendix 7: Expectations and perceptions

54 OUT OF 55 RESPONDENTS *EXPECTED* SERVICE TO BE GREATER THAN OR EQUAL TO "4".

Perception of Attribute (SERVICE): Question 7.2.					
				Responses where attribute greater than or equal to 4 (mostly favourable - extremely favourable)	
	Cluster code*	Number of total responses from cluster	Responses where attribute less than or equal to 3 (neutral - mostly unimportant extremely unimportant)	**Number**	**% within cluster**
	1	29	5	**24**	**83%**
	2	6	2	**4**	**67%**
	3	10	0	**10**	**100%**
	4	8	1	**7**	**88%**
Total		53	8	45	

Cluster code*	Description
1	Financial Institutions; Educational Institutions; Government/ local Authorities; Offices
2	Hospitals/Clinics
3	Industrial/Factories; Retail/Shopping Centres; Property/Property Managers
4	Hotels/Flats

Appendix 7: Expectations and perceptions

54 OUT OF 55 RESPONDENTS *EXPECTED* QUALITY TO BE GREATER THAN OR EQUAL TO "4".

Perception of Attribute (QUALITY): Question 7.3.					
				Responses where attribute greater than or equal to 4 (mostly favourable - extremely favourable)	
	Cluster code*	Number of total responses from cluster	Responses where attribute less than or equal to 3 (neutral - mostly unimportant extremely unimportant)	**Number**	**% within cluster**
	1	29	5	**24**	**83%**
	2	6	2	**4**	**67%**
	3	9	0	**9**	**100%**
	4	8	1	**7**	**88%**
Total		52	8	44	

Cluster code*	Description
1	Financial Institutions; Educational Institutions; Government/ local Authorities; Offices
2	Hospitals/Clinics
3	Industrial/Factories; Retail/Shopping Centres; Property/Property Managers
4	Hotels/Flats

Appendix 7: Expectations and perceptions

Expectation of Attribute (INNOVATION): Question 6.4.					
				Responses where attribute greater than or equal to 4 (mostly important - extremely important)	
	Cluster code*	Number of total responses from cluster	Responses where attribute less than or equal to 3 (neutral - mostly unimportant extremely unimportant)	**Number**	**% within cluster**
	1	29	17	**12**	**41%**
	2	6	2	**4**	**67%**
	3	9	6	**3**	**33%**
	4	8	2	**6**	**75%**
Total		52	27	25	

Cluster code*	Description
1	Financial Institutions; Educational Institutions; Government/ local Authorities; Offices
2	Hospitals/Clinics
3	Industrial/Factories; Retail/Shopping Centres; Property/Property Managers
4	Hotels/Flats

Perception of Attribute (INNOVATION): Question 7.4.					
				Responses where attribute greater than or equal to 4 (mostly favourable - extremely favourable)	
	Cluster code*	Number of total responses from cluster	Responses where attribute less than or equal to 3 (neutral - mostly unimportant extremely unimportant)	**Number**	**% within cluster**
	1	29	19	**10**	**34%**
	2	6	2	**4**	**67%**
	3	10	5	**5**	**50%**
	4	8	3	**5**	**63%**
Total		53	29	24	

Cluster code*	Description
1	Financial Institutions; Educational Institutions; Government/ local Authorities; Offices
2	Hospitals/Clinics
3	Industrial/Factories; Retail/Shopping Centres; Property/Property Managers
4	Hotels/Flats

Appendix 7: Expectations and perceptions

Expectation of Attribute (ASSESSMENT): Question 6.5.					
				Responses where attribute greater than or equal to 4 (mostly important - extremely important)	
	Cluster code*	Number of total responses from cluster	Responses where attribute less than or equal to 3 (neutral - mostly unimportant extremely unimportant)	**Number**	**% within cluster**
	1	29	6	**23**	**79%**
	2	6	2	**4**	**67%**
	3	8	0	**8**	**100%**
	4	8	1	**7**	**88%**
Total		51	9	42	

Cluster code* Description
1 Financial Institutions; Educational Institutions; Government/ local Authorities; Offices
2 Hospitals/Clinics
3 Industrial/Factories; Retail/Shopping Centres; Property/Property Managers
4 Hotels/Flats

Perception of Attribute (ASSESSMENT): Question 7.5.					
				Responses where attribute greater than or equal to 4 (mostly favourable - extremely favourable)	
	Cluster code*	Number of total responses from cluster	Responses where attribute less than or equal to 3 (neutral - mostly unimportant extremely unimportant)	**Number**	**% within cluster**
	1	29	13	**16**	**55%**
	2	6	2	**4**	**67%**
	3	9	1	**8**	**89%**
	4	8	2	**6**	**75%**
Total		52	18	34	

Cluster code* Description
1 Financial Institutions; Educational Institutions; Government/ local Authorities; Offices
2 Hospitals/Clinics
3 Industrial/Factories; Retail/Shopping Centres; Property/Property Managers
4 Hotels/Flats

54 OUT OF 55 RESPONDENTS *EXPECTED* CONSISTENCY TO BE GREATER THAN OR EQUAL TO "4".

Perception of Attribute (CONSISTENCY): Question 7.6.					
				Responses where attribute greater than or equal to 4 (mostly important - extremely important)	
	Cluster code*	Number of total responses from cluster	Responses where attribute less than or equal to 3 (neutral - mostly unimportant extremely unimportant)	**Number**	**% within cluster**
	1	30	7	**23**	**77%**
	2	6	2	**4**	**67%**
	3	9	1	**8**	**89%**
	4	8	1	**7**	**88%**
Total		53	11	42	

Cluster code*	Description
1	Financial Institutions; Educational Institutions; Government/ local Authorities; Offices
2	Hospitals/Clinics
3	Industrial/Factories; Retail/Shopping Centres; Property/Property Managers
4	Hotels/Flats

Appendix 8: Reasons for outsourcing

Reason to Outsource (CHEAPER TO OUTSOURCE): Question 5.1.					
				Responses where reason greater than or equal to 4 (mostly relevant - extremely relevant)	
	Cluster code*	Number of total responses from cluster	Responses where reason less than or equal to 3 (neutral - mostly irrelevant - extremely irrelevant)	Number	% within cluster
	1	28	17	11	39%
	2	7	5	2	29%
	3	8	4	4	50%
	4	9	3	6	67%
Total		52	29	23	

Cluster code*	Description
1	Financial Institutions; Educational Institutions; Government/ local Authorities; Offices
2	Hospitals/Clinics
3	Industrial/Factories; Retail/Shopping Centres; Property/Property Managers
4	Hotels/Flats

Reason to Outsource (SPECIALISED CLEANING): Question 5.2.					
				Responses where reason greater than or equal to 4 (mostly relevant - extremely relevant)	
	Cluster code*	Number of total responses from cluster	Responses where reason less than or equal to 3 (neutral - mostly irrelevant - extremely irrelevant)	Number	% within cluster
	1	29	13	16	55%
	2	7	2	5	71%
	3	9	5	4	44%
	4	9	3	6	67%
Total		54	23	31	

Cluster code*	Description
1	Financial Institutions; Educational Institutions; Government/ local Authorities; Offices
2	Hospitals/Clinics
3	Industrial/Factories; Retail/Shopping Centres; Property/Property Managers
4	Hotels/Flats

Appendix 8: Reasons for outsourcing

Reason to Outsource (COMPANY POLICY): Question 5.3.					
				Responses where reason greater than or equal to 4 (mostly relevant - extremely relevant)	
	Cluster code*	Number of total responses from cluster	Responses where reason less than or equal to 3 (neutral - mostly irrelevant - extremely irrelevant)	**Number**	**% within cluster**
	1	29	12	**17**	**59%**
	2	7	5	**2**	**29%**
	3	8	4	**4**	**50%**
	4	9	6	**3**	**33%**
Total		53	27	26	

Cluster code*	Description
1	Financial Institutions; Educational Institutions; Government/ local Authorities; Offices
2	Hospitals/Clinics
3	Industrial/Factories; Retail/Shopping Centres; Property/Property Managers
4	Hotels/Flats

Reason to Outsource (LABOUR PROBLEMS): Question 5.4.					
				Responses where reason greater than or equal to 4 (mostly relevant - extremely relevant)	
	Cluster code*	Number of total responses from cluster	Responses where reason less than or equal to 3 (neutral - mostly irrelevant - extremely irrelevant)	**Number**	**% within cluster**
	1	30	8	**22**	**73%**
	2	7	3	**4**	**57%**
	3	8	5	**3**	**38%**
	4	9	0	**9**	**100%**
Total		54	16	38	

Cluster code*	Description
1	Financial Institutions; Educational Institutions; Government/ local Authorities; Offices
2	Hospitals/Clinics
3	Industrial/Factories; Retail/Shopping Centres; Property/Property Managers
4	Hotels/Flats

	Responses	
Question 1	Number	%
0 - 1 year	6	10%
1.1 - 2 years	11	19%
2.1 years - 3years	7	12%
3.1 years - 4 years	8	14%
4.1 years or more	27	46%
Total Responses	59	

	Response: **Extremely** satisfied			Response: **Mostly** satisfied			Response: **Neutral**			Response: **Mostly** dissatisfied			Response: **Extremely** dissatisfied		
Question 9	Number	%		Number	%		Number	%		Number	%		Number	%	
0 - 1 year	1	7%		2	10%		0	0%		0	0%		1	100%	
1.1 - 2 years	3	20%		3	15%		1	20%		1	20%		0	0%	
2.1 years - 3years	3	20%		2	10%		0	0%		0	0%		0	0%	
3.1 years - 4 years	1	7%		3	15%		1	20%		1	20%		0	0%	
4.1 years or more	7	47%		10	50%		3	60%		3	60%		0	0%	
Total Responses	15			20			5			5			1		

- In this organisation it is believed that zero service errors is a worthwhile goal to strive for.
- Managers in this organisation are generally convinced that making no service errors will improve marketing effectiveness.
- Managers in this organisation are convinced that making no service errors will improve operating efficiency.
- In this organisation we spend considerable sums of money to ensure that the service can be performed right the first time.
- Managers in this organisation have a good understanding of how many customers the organisation loses as a result of poorly designed and communicated services.
- All communication within this organisation (such as newsletters and and notice boards) stresses the importance of delivering service that is free of errors.
- The quest for error free service is stated in the mission statement of this organisation.
- Before this organisation introduces a new service to customers, it is tested rigorously to ensure that it will be free from errors.
- When a new service is planned and designed in this organisation, both employees and customers are actively involved.
- In this organisation, a system is in place that captures and analyses customer complaints about a service after it has been launched.
- In this organisation, training programmes focus on how to provide service to customers that is free from errors.
- Achievements of employees in providing service that is free from errors is communicated in this organisation by means of formal recognition programmes and functions which celebrate this.
- In this organisation there are teams from various functional areas (e.g. finance, marketing, operations, distribution) which are charged with ensuring that service is free of errors.
- In this organisation there are programmes to cross-train employees to help them appreciate one another's job.

Appendix 11: Notification letter to clients

5 February 2001

Dear

As part of our on-going commitment to exceptional customer service, we shall be conducting a marketing survey in March 2001. This will be an independent survey, conducted by Paul Heckroodt, and all responses will be kept anonymous.

Please also note that we have recently moved premises, and that our new contact details are as follows:

Physical address:

XXXXXXXXXXX
XXXXXXXXXXX
XXXXXXXXXXX
XXXXXXXXXXX

Postal address:

XXXXXXXXXXX
XXXXXXXXXXX
XXXXXXXXXXX
XXXXXXXXXXX

Telephone : XXXXXXX
Fax : XXXXXXX

We would like to take this opportunity to thank you in advance for your valued input, which is greatly appreciated.

Yours sincerely,

General Manager

As part of our on-going commitment to exceptional customer service, please be so kind as to take a few minutes to answer the following questions. Your answers will be *strictly confidential*, as neither your name nor the name of your business will appear anywhere on this form.

PLEASE CIRCLE YOUR CHOICE IN PEN

1. How long have you been a client of Kleen Co?

1.1 0 – 1 year
1.2 1 year – 2 years
1.3 2 years – 3 years
1.4 3 years – 4 years
1.5 5 years or more

2. What industry are you primarily in?

2.1 Financial Institutions
2.2 Educational Institutions
2.3 Government / Local Authorities
2.4 Hospitals / Clinics
2.5 Industrial / Factories
2.6 Mines / Hostels / Power Stations
2.7 Garden Services
2.8 Retail / Shopping Centres
2.9 Hotels / Flats
2.10 Food Processing / Hygiene
2.11 Offices
2.12 Property / Property Managers
2.13 Other (Please specify) ____________

3. What is the <u>monthly</u> cost of the existing cleaning contract at present?

3.1 R 0 - R 999
3.2 R 1,000 - R2,499
3.3 R 2,500 - R4,999
3.4 R 5,000 - R9,999
3.5 R 10,000 - R24,999
3.6 R 25,000 - R49,999
3.7 R 50,000 - R99,999
3.8 R100,000 +

4. For *<u>each</u>* of the *<u>pairs</u>* below, please tick the *<u>one</u>* you find to be the most important when *<u>evaluating a cleaning service</u>*:

Example:

__✓__ Apples
____ Pears

____ Apples
__✓__ Bananas

__✓__ Pears
____ Bananas

4.1 ____Service
____Innovative cleaning methods

4.2 ____Price of contract
____Service

4.3 ____Quality of cleaning
____Innovative cleaning methods

4.4 ____Service
____Quality of cleaning

4.5 ____Price of contract
____Innovative cleaning methods

4.6 ____Price of contract
____Quality of cleaning

5. To what extent are the following reasons relevant to your company's decision to outsource its cleaning requirements?

5.1 Cheaper to outsource

Extremely relevant	Mostly relevant	Neutral	Mostly irrelevant	Totally irrelevant
5	4	3	2	1

5.2 Need for specialised cleaning service

Extremely relevant	Mostly relevant	Neutral	Mostly irrelevant	Totally irrelevant
5	4	3	2	1

5.3 Company policy to outsource non-core functions

Extremely relevant	Mostly relevant	Neutral	Mostly irrelevant	Totally irrelevant
5	4	3	2	1

5.4 Reduce labour problems

Extremely relevant	Mostly relevant	Neutral	Mostly irrelevant	Totally irrelevant
5	4	3	2	1

6. How do you rate Kleen Co in terms of:

Extremely favourable	Mostly favourable	Neutral	Mostly unfavourable	Totally unfavourable
5	4	3	2	1

6.1 **Price alone**	5	4	3	2	1
6.2 **Level of service offered**	5	4	3	2	1
6.3 **Quality of cleaning**	5	4	3	2	1
6.4 **Innovative cleaning methods**	5	4	3	2	1
6.5 **Assessment of your cleaning requirements**	5	4	3	2	1
6.6 **Consistency of cleaning standards**	5	4	3	2	1

7. How many times *in the past twelve months*, if at all, have you raised a complaint with your area/operations manager concerning the service you have received?

7.1 0
7.2 1 - 4
7.3 5 - 8
7.4 9 – 11
7.5 12 +

8. If you have raised a complaint with Kleen Co, how satisfied are you with the outcome?

Extremely satisfied	Mostly satisfied	Neutral	Mostly unsatisfied	Totally unsatisfied
5	4	3	2	1

9. Would you recommend the cleaning services of Kleen Co to another company?

9.1 Yes
9.2 No
9.3 Not sure

10. When you have answered all the questions, please insert this form into the envelope and seal it. Please keep it in a safe place, as your area/operations manager will be calling on you shortly to collect it.

THANK YOU FOR YOUR TIME AND EFFORT

As part of our on-going commitment to exceptional customer service, please be so kind as to take a few minutes to answer the following questions. Your answers will be *strictly confidential*, as neither your name nor the name of your business will appear anywhere on this form.

PLEASE CIRCLE YOUR CHOICE IN PEN

1. **How long have you been a client of Kleen Co?**

1.1 0 – 1 year
1.2 1.1 years – 2 years
1.3 2.1 years – 3 years
1.4 3.1 years – 4 years
1.5 4.1 years or more

2. **What industry are you primarily in?**

2.1 Financial Institutions
2.2 Educational Institutions
2.3 Government / Local Authorities
2.4 Hospitals / Clinics
2.5 Industrial / Factories
2.6 Mines / Hostels / Power Stations
2.7 Garden Services
2.8 Retail / Shopping Centres
2.9 Hotels / Flats
2.10 Food Processing / Hygiene
2.11 Offices
2.12 Property / Property Managers
2.13 Other (Please specify)
____

3. **What is the <u>monthly</u> cost of the existing cleaning contract at present?**

3.1 R 0 - R 999
3.2 R 1,000 - R2,499
3.3 R 2,500 - R4,999
3.4 R 5,000 - R9,999
3.5 R 10,000 - R24,999
3.6 R 25,000 - R49,999
3.7 R 50,000 - R99,999
3.8 R100,000 +

4. **For *each* of the *pairs* below, please tick the *one* you find to be the most important when *evaluating a cleaning service*:**

Example:

4.1 _✓_Apples
____Pears

4.2____Apples
_✓_Bananas

4.3 _✓_Pears
____Bananas

4.1 ____Service
____Innovative cleaning methods

4.2 ____Price of contract
____Service

4.3 ____Quality of cleaning
____Innovative cleaning methods

4.4 ____Service
____Quality of cleaning

4.5 ____Price of contract
____Innovative cleaning methods

4.6 ____Price of contract
____Quality of cleaning

5. **To what extent are the following reasons relevant to your company's decision to outsource its cleaning requirements?**

Extremely relevant	Mostly relevant	Neutral	Mostly irrelevant	Extremely irrelevant
5	4	3	2	1

5.1 Cheaper to outsource	5	4	3	2	1
5.2 Need for specialised cleaning service	5	4	3	2	1
5.3 Company policy to outsource non-core functions	5	4	3	2	1
5.4 Reduce labour problems	5	4	3	2	1

6. **How <u>important</u> to you are the following criteria:**

Extremely important	Mostly important	Neutral	Mostly unimportant	Extremely unimportant
5	4	3	2	1

6.1 **Price alone**	5	4	3	2	1
6.2 **Level of service offered**	5	4	3	2	1
6.3 **Quality of cleaning**	5	4	3	2	1
6.4 **Innovative cleaning methods**	5	4	3	2	1
6.5 **Assessment of your cleaning requirements**	5	4	3	2	1
6.6 **Consistency of cleaning standards**	5	4	3	2	1

7. **How do you <u>rate</u> Kleen Co in terms of:**

Extremely favourable	Mostly favourable	Neutral	Mostly unfavourable	Extremely unfavourable
5	4	3	2	1

7.1 **Price alone**	5	4	3	2	1
7.2 **Level of service offered**	5	4	3	2	1
7.3 **Quality of cleaning**	5	4	3	2	1
7.4 **Innovative cleaning methods**	5	4	3	2	1
7.5 **Assessment of your cleaning requirements**	5	4	3	2	1
7.6 **Consistency of cleaning standards**	5	4	3	2	1

8. **How many times *in the past twelve months*, if at all, have you raised a complaint with your area/operations manager concerning the service you have received?**

8.1 0
8.2 1 - 4
8.3 5 - 8
8.4 9 – 11
8.5 12 +

9. **If you have raised a complaint with Kleen Co, how satisfied are you with the outcome?**

Extremely satisfied	Mostly satisfied	Neutral	Mostly unsatisfied	Extremely unsatisfied
5	4	3	2	1

10. **Would you recommend the cleaning services of Kleen Co to another company?**

10.1 Yes
10.2 No
10.3 Not sure

11. **When you have answered all the questions, please insert this form into the envelope and seal it. Please keep it in a safe place, as your area/operations manager will be calling on you shortly to collect it.**

THANK YOU FOR YOUR TIME AND EFFORT

Appendix 14: Perceptual map data – all responses

Question		Extremely important	Mostly important	Neutral	Mostly unimportant	Extremely unimportant	Sum	Mean
6.1	Price alone	16	17	19	1	1	**208**	**3.9**
6.2	Level of service offered	36	17	1	0	0	**251**	**4.6**
6.3	Quality of cleaning	37	17	1	0	0	**256**	**4.7**
6.4	Innovative cleaning methods	11	14	23	6	0	**192**	**3.6**
6.5	Assessment of your cleaning requirements	21	22	10	1	0	**225**	**4.2**
6.6	Consistency of cleaning standards	39	15	1	0	0	**258**	**4.7**

Question		Extremely favourable	Mostly favourable	Neutral	Mostly unfavourable	Extremely unfavourable	Sum	Mean
7.1	Price alone	2	21	31	1	0	**189**	**3.4**
7.2	Level of service offered	18	28	7	2	0	**227**	**4.1**
7.3	Quality of cleaning	16	30	6	2	0	**222**	**4.1**
7.4	Innovative cleaning methods	8	17	22	4	3	**185**	**3.4**
7.5	Assessment of your cleaning requirements	9	26	18	1	0	**205**	**3.8**
7.6	Consistency of cleaning standards	19	25	8	3	0	**225**	**4.1**

Appendix 15: Perceptual map data – healthcare

Question		Extremely important	Mostly important	Neutral	Mostly unimportant	Extremely unimportant	Sum	Mean
6.1	Price alone	1	5	1	0	0	**28**	**4.0**
6.2	Level of service offered	5	2	0	0	0	**33**	**4.7**
6.3	Quality of cleaning	5	2	0	0	0	**33**	**4.7**
6.4	Innovative cleaning methods	2	2	2	1	0	**26**	**3.7**
6.5	Assessment of your cleaning requirements	2	2	3	0	0	**27**	**3.9**
6.6	Consistency of cleaning standards	5	2	0	0	0	**33**	**4.7**

Question		Extremely favourable	Mostly favourable	Neutral	Mostly unfavourable	Extremely unfavourable	Sum	Mean
7.1	Price alone	0	4	3	0	0	**25**	**3.6**
7.2	Level of service offered	1	3	2	0	0	**23**	**3.3**
7.3	Quality of cleaning	2	2	2	0	0	**24**	**4.0**
7.4	Innovative cleaning methods	1	3	1	0	1	**21**	**3.5**
7.5	Assessment of your cleaning requirements	2	2	2	0	0	**24**	**4.0**
7.6	Consistency of cleaning standards	1	3	2	0	0	**23**	**3.8**

Appendix 16: Perceptual map data – hospitality

Question	Extremely important	Mostly important	Neutral	Mostly unimportant	Extremely unimportant	Sum	Mean
6.1 Price alone	4	0	3	0	1	**30**	**3.8**
6.2 Level of service offered	6	2	0	0	0	**38**	**4.8**
6.3 Quality of cleaning	7	1	0	0	0	**39**	**4.9**
6.4 Innovative cleaning methods	2	4	1	1	0	**31**	**3.9**
6.5 Assessment of your cleaning requirements	4	3	1	0	0	**35**	**4.4**
6.6 Consistency of cleaning standards	7	1	0	0	0	**39**	**4.9**

Question	Extremely favourable	Mostly favourable	Neutral	Mostly unfavourable	Extremely unfavourable	Sum	Mean
7.1 Price alone	1	4	3	0	0	**30**	**3.8**
7.2 Level of service offered	5	2	1	0	0	**36**	**4.5**
7.3 Quality of cleaning	4	3	1	0	0	**35**	**4.4**
7.4 Innovative cleaning methods	2	3	2	0	1	**29**	**3.6**
7.5 Assessment of your cleaning requirements	0	6	2	0	0	**30**	**3.8**
7.6 Consistency of cleaning standards	4	3	1	0	0	**35**	**4.4**

Appendix 17: Perceptual map data – offices

Question	Extremely important	Mostly important	Neutral	Mostly unimportant	Extremely unimportant	Sum	Mean
6.1 Price alone	9	9	10	1	0	**113**	**3.9**
6.2 Level of service offered	18	11	0	0	0	**134**	**4.6**
6.3 Quality of cleaning	19	9	1	0	0	**134**	**4.6**
6.4 Innovative cleaning methods	5	7	15	2	0	**102**	**3.5**
6.5 Assessment of your cleaning requirements	11	12	5	1	0	**120**	**4.1**
6.6 Consistency of cleaning standards	19	10	1	0	0	**138**	**4.6**

Question	Extremely favourable	Mostly favourable	Neutral	Mostly unfavourable	Extremely unfavourable	Sum	Mean
7.1 Price alone	0	10	18	1	0	**96**	**3.3**
7.2 Level of service offered	5	19	3	2	0	**114**	**3.9**
7.3 Quality of cleaning	6	18	3	2	0	**115**	**4.0**
7.4 Innovative cleaning methods	3	7	14	4	1	**94**	**3.4**
7.5 Assessment of your cleaning requirements	4	12	12	1	0	**106**	**3.7**
7.6 Consistency of cleaning standards	9	14	4	3	0	**119**	**4.0**

Appendix 18: Perceptual map data – shopping centres

Question		Extremely important	Mostly important	Neutral	Mostly unimportant	Extremely unimportant	Sum	Mean
6.1	Price alone	1	3	4	0	0	**29**	**3.6**
6.2	Level of service offered	6	2	0	0	0	**38**	**4.8**
6.3	Quality of cleaning	5	4	0	0	0	**41**	**4.6**
6.4	Innovative cleaning methods	2	1	3	2	0	**27**	**3.4**
6.5	Assessment of your cleaning requirements	4	4	0	0	0	**36**	**4.5**
6.6	Consistency of cleaning standards	7	1	0	0	0	**39**	**4.9**

Question		Extremely favourable	Mostly favourable	Neutral	Mostly unfavourable	Extremely unfavourable	Sum	Mean
7.1	Price alone	1	2	6	0	0	**31**	**3.4**
7.2	Level of service offered	7	3	0	0	0	**47**	**4.7**
7.3	Quality of cleaning	4	5	0	0	0	**40**	**4.4**
7.4	Innovative cleaning methods	2	3	4	0	0	**34**	**3.8**
7.5	Assessment of your cleaning requirements	3	5	1	0	0	**38**	**4.2**
7.6	Consistency of cleaning standards	5	3	1	0	0	**40**	**4.4**