

**THE ROLE OF COMMUNICATION IN PROPERTY DEVELOPMENT  
PROJECTS**

by

**THEUNIS JOHANNES VAN BRAKEL**

**SHORT DISSERTATION**

**Submitted in partial fulfilment of the requirements for the degree**

**MAGISTER COMMERCII**



**BUSINESS MANAGEMENT**  
JOHANNESBURG

in the

**FACULTY OF MANAGEMENT**

at the

**UNIVERSITY OF JOHANNESBURG**

**STUDY LEADER: PROF.C.J. JOOSTE**

**JOHANNESBURG**

**MARCH 2005**

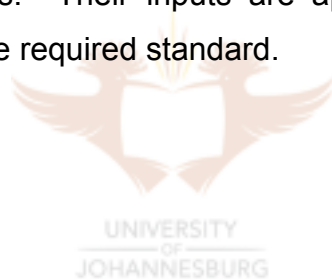
## ACKNOWLEDGEMENTS

The writing of this dissertation was done by the grace of God. He has stood by me during the completion of this degree in more ways than one. He provided the daily bread that gave me the sustenance to carry on. He provided the insight to enable me to grasp the subject material. He further gave me the will to persevere.

To my father, mother, brothers, other family members and friends I wish to extend my greatest gratitude. Your assistance and support contributed substantially to the effort of completing this degree. A word of special thanks to those who assisted me with gathering the information contained in this dissertation.

I wish to express my appreciation to the personnel of the Department of Business Management who gave me the opportunity to enrich myself with the knowledge and experience that they possess. Thank you for your assistance and understanding.

I want to thank Prof. C.J. Jooste and Mrs. L. Strydom for their guidance and patience in acting as my study leaders. Their inputs are appreciated and enabled me to complete this dissertation to the required standard.



# INDEX

1	INTRODUCTION .....	1
1.1	REGULATORY REQUIREMENTS.....	1
1.1.1	Town Planning Schemes.....	1
1.1.2	Town Planning and Township Ordinance, 1986 (Ordinance 15 of 1986) .....	2
1.1.3	The Gauteng Removal of Restrictions Act, 1996 (Act No. 3 of 1996).....	2
1.1.4	The National Building Regulations .....	2
1.1.5	Guidelines for the Provision of Engineering Services in Residential Townships (The Red Book) .....	2
1.2	ROLE-PLAYERS AND PRESCRIBED PROCESSES .....	3
1.3	THE IMPORTANCE OF GOOD COMMUNICATION IN A PROJECT.....	3
1.3.1	Defining a service .....	3
1.3.2	Defining communication .....	4
1.4	THE GAPS MODEL OF SERVICE QUALITY .....	4
1.5	PROBLEM STATEMENT .....	5
1.6	GOALS OF THE STUDY.....	6
1.7	RESEARCH METHODOLOGY AND LIMITATIONS OF THE STUDY .....	7
1.8	DEMARCATON OF THE STUDY .....	10
2	A TYPICAL PROPERTY DEVELOPMENT PROJECT .....	11
2.1	INTRODUCTION .....	11
2.2	ROLE-PLAYERS AND PRESCRIBED PROCESS .....	11
2.3	A TYPICAL SCENARIO .....	12
3	APPLICABLE COMMUNICATION MODELS FOR THE CLOSURE OF GAP 4 OF THE GAPS MODEL OF SERVICE QUALITY .....	18
3.1	INTRODUCTION .....	18
3.2	THE SERVICES MARKETING TRIANGLE.....	18
3.3	THE SERVICE MARKETING MIX.....	20
3.4	THE GAPS MODEL OF SERVICE QUALITY .....	22
3.5	THE MODEL OF STRATEGIC COMMUNICATION .....	26
3.5.1	Goal-setting .....	26
3.5.2	Situational knowledge.....	27
3.5.3	Communication competence.....	27
3.5.4	Anxiety management.....	28
4	APPLICABLE LITERATURE TO VERIFY THE PROBLEM STATEMENT AND THE GOALS OF THE STUDY .....	29
4.1	INTRODUCTION .....	29
4.2	FOUR IMPORTANT REQUIREMENTS IN UNDERTAKING PROPERTY DEVELOPMENT PROJECTS .....	29
4.2.1	The importance of a well-documented project proposal and the selection of a competent project team for property development projects.....	29
4.2.2	The important role of service marketing in the selling of services to customers of property development projects .....	32

---

4.2.3	The necessity of building relationships among the role-players of property development projects .....	37
4.2.4	The importance of delivering quality services to customers of property development projects .....	39
4.3	FOUR RECOMMENDED STEPS TO CLOSE GAP 4 OF THE GAPS MODEL OF SERVICE QUALITY .....	41
4.3.1	The need for co-ordination in marketing communication .....	42
4.3.2	Key reasons for service communication problems.....	48
4.3.2.1	Inadequate management of service promises .....	48
4.3.2.2	Inadequate management of customer expectations .....	49
4.3.2.3	Inadequate customer education .....	50
4.3.2.4	Inadequate internal marketing communication .....	51
4.3.3	Different categories of strategies to match service promises with delivery.....	52
4.3.3.1	Managing service promises.....	52
4.3.3.2	Managing customer expectations.....	55
4.3.3.3	Improvement of customer education .....	57
4.3.3.4	Managing internal marketing communication.....	58
4.3.4	The necessity to exceed customer's expectations.....	61
4.3.4.1	Demonstrating/understanding of customer expectations .....	62
4.3.4.2	Leverage the delivery dimensions.....	64
4.3.4.3	Under promise and over delivery .....	65
4.3.4.4	Position unusual service as unique and not as the standard.....	65
5	RESEARCH FINDINGS .....	67
5.1	FOUR IMPORTANT REQUIREMENTS IN UNDERTAKING PROPERTY DEVELOPMENT PROJECTS .....	67
5.1.1	The importance of drafting a well-documented project proposal and the selection of a competent team for property development projects.....	67
5.1.1.1	Responses of customers.....	67
5.1.1.2	Responses of service providers .....	68
5.1.1.3	Summary .....	68
5.1.2	The important role of service marketing in the selling of services to customers of property development projects .....	69
5.1.2.1	Responses of customers.....	69
5.1.2.2	Responses of service providers .....	69
5.1.2.3	Summary .....	70
5.1.3	The necessity of building relationships among the role-players in property development projects .....	70
5.1.3.1	Responses of customers.....	70
5.1.3.2	Responses of service providers .....	70
5.1.3.3	Summary .....	71
5.1.4	The importance of delivering quality services to customers of property development projects .....	71
5.1.4.1	Responses of customers.....	71
5.1.4.2	Responses of service providers .....	72

---

5.1.4.3	Summary .....	72
5.2	FOUR RECOMMENDED STEPS TO CLOSE GAP 4 OF THE GAPS MODEL OF SERVICE QUALITY .....	73
5.2.1	The need for co-ordination in marketing communication .....	73
5.2.1.1	Responses of customers .....	73
5.2.1.2	Responses of service providers .....	74
5.2.1.3	Summary .....	75
5.2.2	Key reasons for service communication problems.....	76
5.2.2.1	Responses of customers .....	76
5.2.2.2	Responses of service providers .....	77
5.2.2.3	Summary .....	79
5.2.3	Different categories of strategies to match service promises with delivery.....	80
5.2.3.1	Responses of customers .....	80
5.2.3.2	Responses of service providers .....	81
5.2.3.3	Summary .....	82
5.2.4	The necessity to exceed customer's expectations.....	84
5.2.4.1	Responses of customers .....	84
5.2.4.2	Responses of the service providers .....	85
5.2.4.3	Summary .....	86
6	CONCLUSIONS AND RECOMMENDATIONS.....	88
6.1	INTRODUCTION .....	88
6.2	FOUR IMPORTANT REQUIREMENTS IN UNDERTAKING PROPERTY DEVELOPMENT PROJECTS .....	89
6.2.1	The importance of drafting a well-documented project proposal and the selection of a competent project team for property development projects.....	89
6.2.2	The important role of service marketing in the selling of services to customers of property development projects .....	90
6.2.3	The necessity of building relationships among the role-players of property development projects .....	90
6.2.4	The importance of delivering quality services to customers of property development projects .....	91
6.3	FOUR RECOMMENDED STEPS TO CLOSE GAP 4 OF THE GAPS MODEL OF SERVICE QUALITY .....	92
6.3.1	The need for co-ordination in marketing communication .....	92
6.3.2	Key reasons for service communication problems.....	93
6.3.3	Different categories of strategies to match service promises with delivery.....	94
6.3.4	The necessity to exceed customers' expectations.....	96
6.4	SHORT SUMMARY.....	98
6.4.1	Four important requirements in undertaking property development projects.....	98
6.4.1.1	The importance of drafting a well-documented project proposal and selecting a competent project team for property development projects.....	98
6.4.1.2	The important role of service marketing in the selling of services to customers of property development projects .....	98

---

6.4.1.3	The necessity of building relationships among the role-players of property development projects .....	98
6.4.1.4	The importance of delivering quality services to customers of property development projects .....	99
6.4.2	Four recommended steps to close Gap 4 of the Gaps Model of Service Quality .....	99
6.4.2.1	The need for co-ordination in marketing communication .....	99
6.4.2.2	Key reasons for service communication problems.....	100
6.4.2.3	Different categories of strategies to match service promises with delivery.....	101
6.4.2.4	The necessity to exceed customer's expectations.....	102
6.5	CONCLUSIONS .....	103
6.6	RECOMMENDATIONS / GUIDELINES .....	104
6.6.1	Four important requirements in undertaking property development projects.....	104
6.6.2	Four recommended steps to close Gap 4 of the Gaps Model of Service Quality .....	105
6.6.2.1	The need for co-ordination in marketing communication .....	105
6.6.2.2	Preventing service communication problems.....	106
6.6.2.3	Strategies to match service promises with delivery .....	106
6.6.2.4	Exceeding customer expectations.....	106
6.7	FINAL REMARK .....	107
7	BIBLIOGRAPHY .....	108
8	APPENDIX 1: RESPONSES OF CUSTOMERS TO THE QUESTIONNAIRE .....	112
9	APPENDIX 2: RESPONSES OF SERVICE PROVIDERS TO THE QUESTIONNAIRE .....	119

## TABLES

OF  
JOHANNESBURG

TABLE 2.1:	CATEGORISED ROLE-PLAYERS PARTICIPATING IN PROPERTY DEVELOPMENT. ....	11
TABLE 3.1:	EXPANDED MARKETING MIX FOR SERVICES.....	21

## FIGURES

FIGURE 3.1:	SERVICES MARKETING TRIANGLE.....	19
FIGURE 3.2:	... GAPS MODEL OF SERVICE QUALITY.....	23
FIGURE 3.3:	... THE CUSTOMER'S GAP.....	24
FIGURE 3.4:	....PROVIDER GAP 4.....	25
FIGURE 3.5:	MODEL OF STRATEGIC COMMUNICATION.....	26

---

FIGURE 4.1: ... COMMUNICATIONS AND SERVICES MARKETING TRIANGLE.....41

FIGURE 4.2: ... APPROACHES FOR INTEGRATING SERVICE MARKETING COMMUNICATION ...53

FIGURE 4.3: ... APPROACHES FOR MANAGING SERVICE PROMISES.....53

FIGURE 4.4: ...APPROACHES FOR MANAGING CUSTOMER’S EXPECTATIONS.....56

FIGURE 4.5: ...APPROACHES FOR IMPROVING CUSTOMER’S EDUCATION.....57

FIGURE 4.6: ...APPROACHES FOR MANAGING INTERNAL MARKETING COMMUNICATION.....60

**APPENDIX 1: RESPONSES OF CUSTOMERS TO THE QUESTIONNAIRE**

TABLE 5.1.1: IMPORTANT REQUIREMENTS IN UNDERTAKING PROPERTY DEVELOPMENT PROJECTS .....112

TABLE 5.2.1: THE NEED FOR CO-ORDINATION IN MARKETING COMMUNICATION.....113

TABLE 5.3.1: KEY REASONS FOR SERVICE COMMUNICATION PROBLEMS.....114

TABLE 5.4.1: CATEGORIES OF STRATEGIES TO MATCH SERVICE PROMISES WITH DELIVERY.....115

TABLE 5.5.1: EXCEEDING CUSTOMER EXPECTATIONS.....116

TABLE 5.6.1: DELIVERING OF QUALITY SERVICES .....118



**APPENDIX 2: RESPONSES OF SERVICE PROVIDERS TO THE QUESTIONNAIRE**

TABLE 5.1.2: IMPORTANT REQUIREMENTS IN UNDERTAKING PROPERTY DEVELOPMENT PROJECTS .....119

TABLE 5.2.2: THE NEED FOR CO-ORDINATION IN MARKETING COMMUNICATION.....122

TABLE 5.3.2: KEY REASONS FOR SERVICE COMMUNICATION PROBLEMS.....125

TABLE 5.4.2: CATEGORIES OF STRATEGIES TO MATCH SERVICE PROMISES WITH DELIVERY.....127

TABLE 5.5.2: EXCEEDING CUSTOMER EXPECTATIONS.....129

TABLE 5.6.2: DELIVERING OF QUALITY OF SERVICES .....132

# CHAPTER 1

## 1 INTRODUCTION

The development of a property is a complex process. Individual property owners and developers can seldom anticipate all the requirements and steps necessary to complete a development project. Consultants and other role-players therefore have to be appointed. The appointment of these individuals requires frequent communication throughout the project's duration (Zeithaml & Bitner, 2000:407).

Various types of processes must be undertaken to accomplish the development process. These can include:

- The selling or purchasing of a property;
- The subdivision of a property or consolidation of a property or a combination of the two processes;
- The permanent changing of the zoning rights of the property;
- The removal of restrictive title conditions;
- The drafting and approval of building plans;
- The drafting and approval of service plans as well as the construction of services; and
- The changing of the development rights of a property with the consent of the Council, for instance: to relax the building lines, to add a second dwelling unit, to increase the number of storeys that can be built or to change conditions of an existing consent use granted by Council.

### 1.1 REGULATORY REQUIREMENTS

Various legislations stipulate the processes and requirements which have to be followed and adhered to in property development projects. Legislative documents relevant to the scenario that will be presented are:

#### 1.1.1 Town Planning Schemes

Town Planning Schemes are compiled for towns to enable local authorities to regulate urban development. Each town has its own Town Planning Scheme. The Schemes are applicable to demarcate areas and provide definitions for land uses, conditions applicable to certain types of land uses, processes to



follow for consent applications, land use tables and development controls as well as rights Council has. The Town Planner and Architect use these schemes in the fulfilment of their responsibilities.

#### **1.1.2 Town Planning and Township Ordinance, 1986 (Ordinance 15 of 1986)**

This Ordinance provides the processes which have to be followed by planning consultants, local authorities with no authority and local authorities with delegated authority to:

- Change the zonings of properties; and
- Consolidate and/ or subdivide properties.

This Ordinance is used by the Town Planner and Conveyancing Attorney as a guiding document.

#### **1.1.3 The Gauteng Removal of Restrictions Act, 1996 (Act No. 3 of 1996)**

This Act prescribes the process which has to be followed in order to remove restricted conditions of title from the title deeds of properties. This Act allows the submission of one other type of application with the removal of restricted conditions application such as the rezoning of the property or the subdivision of the property. The Town Planner and Conveyancing Attorney follow the prescriptive process in this Act to achieve the desired outcome.

#### **1.1.4 The National Building Regulations**

These regulations set out the basic requirements and standards for the design and construction of structures including dwelling units. The Architect and Structural Engineer use this document in property development projects.

#### **1.1.5 Guidelines for the Provision of Engineering Services in Residential Townships (The Red Book)**

This document provides the minimum requirements for the design of urban environments (towns and neighbourhoods), street networks, storm water networks, water networks and sewer networks. The Civil Engineer, Electrical Engineer and Town Planner use this document for the design of lay-out plans and service networks.

## **1.2 ROLE-PLAYERS AND PRESCRIBED PROCESSES**

The role-players which normally participate in a typical property development project can be divided into six categories. These are:

- Customers;
- Project Team;
- Government Departments;
- Provincial Departments;
- Local Authority Departments; and
- Others.

These categories will be discussed in more detail in Chapter 2. The interaction between the role-players will further be described in a typical scenario for a property development project.

## **1.3 THE IMPORTANCE OF GOOD COMMUNICATION IN A PROJECT**

From the typical scenario which is described in Chapter 2, it is clear that in the process described, services are rendered to the customer by some of the role-players indicated in Table 2.1. It is therefore necessary to take note of what a service and communication entail. Definitions found in a literature study are given below.

### **1.3.1 Defining a service**

Kotler (1997:467) defines a service as any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.

Zeithaml & Bitner (2003:2) define services as deeds, processes and performances. Characteristics of services discussed by Zeithaml & Bitner (2003:11 - 14) include the following:

- A service is intangible, in other words it can not be sensed;
- A service is heterogeneous, each service is unique even though two services will have the same result;

- A service is simultaneously produced and consumed; and
- A service is perishable and can therefore not be stored for later consumption.

These identified characteristics lay down distinctive challenges to service providers. These challenges include: understanding their customer's needs and expectations; tangibilising the service offering; dealing with the number of people involved in the project; delivery issues and keeping promises made to customers (Zeithaml & Bitner, 2003:14).

### **1.3.2 Defining communication**

O'Hair, Friedrich & Shaver (1995:24) define communication as the networks that carry messages about work and social topics.

Fielding (1997:4) states that communication is a transaction whereby participants together create meaning through the exchange of symbols.

Gibson, Ivancevich & Donnelly (1997:408) define communication as the transmission of information and understanding through the use of common symbols.

Ivancevich, Lorenzi, Skinner & Crosby (1997:368) define communication as the exchange of information between a sender (source) and a receiver (audience). If meaning is not shared, communication has not taken place.

From these definitions it appears that symbols are used by participants to transmit information in a form understandable by both parties involved.

These authors further state that effective communication is essential in today's business environment. Increasingly complex problems must be addressed by individuals to achieve organisation goals. Barriers to effective communication must further be taken into account ensure that effective communication takes place.

## **1.4 THE GAPS MODEL OF SERVICE QUALITY**

The Gaps Model of Service Quality was developed by Zeithaml & Bitner (2003:26) to address the customer gap that might/ can develop during the delivery of a service. This gap represents the difference between a customer's expectation and the perception of the service that is to be delivered to him. Expectations are the reference points with which a customer comes into a

service experience. Perceptions reflect the service as actually received. The goal of the service provider is to close the customer gap in order to:

- Satisfy the customer; and
- Build a long-term relationship with the customer to ensure repetitive service offerings.

To achieve this goal four identified gaps need to be closed:

- Gap 1 – Not knowing what customers expect;
- Gap 2 – Not selecting the right service design and standards;
- Gap 3 – Not delivering the service standards; and
- Gap 4 – Not matching performance to promises.

This dissertation focuses on Gap 4 and the role of communication in a typical property development project. The Gaps Model of Service Quality will therefore be used to indicate the importance of communication in the scenario presented and especially how to close the gap between the expected and perceived services levels (Gap 4).



## 1.5 PROBLEM STATEMENT

From the discussion so far it is clear that the lack of effective communication between the role-players can result in serious problems during a typical property development project. Not only can it lead to the waste of precious time to complete the project, but it can also cause serious financial losses for the customer.

Inadequate management of promises reflects a break-down in co-ordination between employees responsible for delivering the service and employees in charge of marketing the service to the customer (Zeithaml & Bitner, 2003:398).

In order to identify the consequences of ineffective communication among all role-players and how these problems can be prevented, the following problem statement is formulated:

***Can integrated service communication close the service gap between the expected and perceived service delivery levels to customers in a typical property development project?***

## 1.6 GOALS OF THE STUDY

Leading to the bridging of Gap 4 of the Gaps Model of Service Quality, Zeithaml & Bitner (2003:402) propose that a more complex type of integrated communication is needed for services than for goods. Developing a property is also a very complex process involving the skills of at least nine professional consultants. The process is described in Chapter 2, paragraph 2.2.

The main purpose of the study is to research ways and means to improve effective communication between all the role-players involved in order to close Gap 4 of the Gaps Model of Service Quality in a typical property development project.

Five goals are set in order to verify the validity of the question raised in the problem statement.

- Firstly, the following four important requirements are investigated in undertaking property development projects:
  - (a) To determine the importance of drafting a well documented project proposal and to select a competent project team for property development projects.
  - (b) To determine the important role of service marketing in the selling of services to customers of property development projects.
  - (c) To determine the necessity of building relationships among the role-players of property development projects.
  - (d) To determine the importance of delivering quality services to customers of property development projects.
- Secondly, the following four recommended steps to close Gap 4 of the Gaps Model of Service Quality are researched:
  - (a) The need for co-ordination in marketing communication.
  - (b) Key reasons for service communication problems.
  - (c) Different categories of strategies to match service promises with delivery.
  - (d) The necessity to exceed customer's expectations.
- Thirdly, to verify the research findings with the relevant literature.
- Fourthly, to verify the validity of the question in the problem statement.

- Fifthly, guidelines for effective communication between the role-players in property development projects are given.

## **1.7 RESEARCH METHODOLOGY AND LIMITATIONS OF THE STUDY**

Good research is based on scientific methods. The method employed here consists of the following characteristics as defined by Zikmund (2000:44):

- Assessment of relevant existing knowledge;
- Formulation of concepts and propositions;
- Statement of hypotheses;
- Design the research to test the hypotheses;
- Acquisition of meaningful empirical data;
- Analysis and evaluation of data; and
- Provide explanations and state new problems raised by research.

These characteristics are an expansion on how Hair, Babin, Money & Samouel (2003:54) view the scientific method.

Applied research, as described by Zikmund (2000:7) as well as Cooper and Schindler (1998:13), aims at addressing specific problems. Problem solving is very important in business research. This applied research approach for determining communication guidelines for a typical property development project aims to formulate certain guidelines that will ensure that the problem of not meeting customers' expected service outcome levels, is addressed.

Of importance to this study is the fact that it is based on a typical property development project. Cooper & Schindler (1998:133) state that case studies place more emphasis on a full contextual analysis of fewer events or conditions and their interrelations. Although hypotheses are often used, the reliance on qualitative data makes support or rejection more difficult. An emphasis on detail provides valuable insight into problem solving, evaluation and strategy. This detail is secured from multiple sources of information. It allows evidence to be verified and avoids missing data. Case studies therefore have a definite role in business research.

In evaluating selected editorial sources it was determined that this case study is of a descriptive nature. Cooper & Schindler (1998:11) define descriptive studies as studies trying to discover answers to the questions of who, what, when, where and sometimes how. Zikmund (2000:50) supports this view. The descriptive study is popular in business research because of its versatility across disciplines. The how-question addresses issues such as quantity, cost efficiency, effectiveness and adequacy. The simplest descriptive study concerns a univariate question or hypothesis in which we ask a question. Additional information on other variables can also be secured (Cooper & Schindler, 1998:141).

Information to be utilised in this study will be of a primary and secondary nature. Primary information will be obtained by means of questionnaires completed by a typical project team involved in recent property development projects. For the purposes of this study a non-probability sample is selected. This sample will therefore be restrictive. Practical reasons for this selection are:

- No reason to generalise. Information obtained from the secondary sources is simply verified. The role-players selected represent successful professionals with vast experience and years of practice behind them.
- Time and costs will be saved. The time required to conduct an extensive research effort would cost too much. Valuable time will be lost by the service providers that would have to be consulted.
- The total population of the relevant professional service providers active in the City of Johannesburg area is also not known.

In order to obtain maximum benefit from this sampling technique it will be carefully controlled.

Utilising two typical property development projects, to demonstrate the importance of integrated service communication in order to close the service gap between the expected and perceived service levels, confines the sample that will be used to obtain information. Service providers, of which the project leader was a member, were members of recent projects and were selected on account of their extended experience and years of practice. As such a professional relationship existed between the project leader and the selected role-players.

The prescriptive process that has to be followed in property development projects further eliminates the normal selection of a sample from a broader population. Competition between professionals in the same profession makes the selection of a sample from a specific profession problematic. To validate the sample choice it is necessary to describe a typical property development project and the role that each team member plays. Chapter 2 contains the typical scenario.

A combination of a convenience and a judgmental sample will be made. Consultation with the selected role-players is convenient due to the fact that the project leader have to meet with them almost on a weekly basis. The selected role-players have vast experience and years of practice. Information obtained from the selected role-players will be complete and of great value in this case study. Consulting the role-players and the time required to conduct the interviews will be short. Costs will thus be kept down. The information obtained from the role-players will thus be of an acceptable nature to assist in this study. These positive characteristics are described by Zikmund (2000:350 and 351), Cooper & Schindler (1998:245) and Hair et al. (2003:217).

Based on the problem statement and the literature study two separate questionnaires, one for customers and the other for service providers, were developed (See Appendices 1 and 2). The questionnaires were completed with the assistance of the selected role-players that form part of the typical project team indicated in Table 2.1. The information obtained was captured on a laptop PC. The data from the questionnaires are presented in tables given in the appendices and discussed in Chapter 5.

Secondary information was obtained from reference material that was prescribed as part of the M Com Business Management degree presented at the then Randse Afrikaanse Universiteit (now known as the Johannesburg University) as well as selected books and magazines from the institution's library. Additional information was sourced by means of a B-Rau search of EBSCOhost and Emerald electronic data bases.

The utilisation of primary information and various sources of secondary information provide a broad spectrum of information to compensate for the selection of a non-probability sample. The conclusions made can therefore



hopefully be utilised as guidelines for a typical property development project in order to close the gap between the expected and perceived service levels as viewed and experienced by the customer.

## **1.8 DEMARCATION OF THE STUDY**

The background for the study proposal and the important role of communication are described in Chapter 1. The problem statement and goals follow. The research methodology and demarcation of the study is finally presented.

A typical scenario of a property development project is described in Chapter 2. This scenario is presented to assist the reader to understand how the different role-players in a typical property development project interact with each other.

Chapter 3 provides the reader with a survey of literature focussing on applicable models which are relevant to the topic.

Chapter 4 presents a review of the relevant literature with the aim to find the necessary supporting data for closure of Gap 4 of the Gaps Model of Service Quality. Special attention is given to the effect and application of the Services Marketing Triangle. The study is based on primary and recent information sources, e.g. text books, academic articles and other relevant sources. Published information was obtained from books and magazines prescribed for this degree and found in the library. Computerised articles were sources from EBSCOhost and Emerald electronic data basis.

Chapter 5 presents the results of the empirical research.

Chapter 6 contains the verification of the findings of the research and the relevant literature as well as conclusions that refer to the different aspects of the problem statement and goals of the study. Recommendations and guidelines derived from the results of the study are finally presented.

A bibliography is presented citing the different literature sources consulted.

Integrated tables serving as questionnaires as well as containing the responses of customers and service providers are presented in the appendices.

## CHAPTER 2

### 2 A TYPICAL PROPERTY DEVELOPMENT PROJECT

#### 2.1 INTRODUCTION

In order to understand the scope of this study, it is necessary to describe a typical project in some detail.

#### 2.2 ROLE-PLAYERS AND PRESCRIBED PROCESS

The role-players which normally participate in property development projects are indicated in Table 2.1. The interaction between the relevant role-players will be discussed in paragraph 2.3 – A typical scenario.

**TABLE 2.1: CATEGORISED ROLE-PLAYERS PARTICIPATING IN PROPERTY DEVELOPMENT (OBTAINED FROM EXPERIENCE).**

Customers	Project Team	Government Departments	Provincial Departments	Local Authority Departments	Other
Property Owner Property Developer	Project leader Electrical Engineer Traffic Engineer Quantity Surveyor Landscape Architect Land Surveyor Civil Engineer Environmental Consultant Estate Agent Structural Engineer Town Planner Conveyancing Attorney Geotechnical Engineer Architect	Surveyor General Eskom* Registrar of Deeds Telkom* Department of Mineral and Energy Affairs Department of Water Affairs and Forestry * Parastatel	Departments of: Agriculture, Conservation, Environment and Land Affairs Roads and Public Works Development Planning and Local Government Housing	Planning Building Control Water & Sewer Electricity Roads & Storm Water Environment Parks Finance Refuse Health Legal Adminstration	Financiers Contractors NHBRC* Objectors Tenants Property Managers Maintenance Contractors Home Owners Association SAHRA*  * NHBRC - National Home Builders Registration Council  * South African Heritage Resources Agency

## 2.3 A TYPICAL SCENARIO

The removal of restrictive title conditions and rezoning of a property, to allow the property to be subdivided and developed with new dwelling units on separate erven at an increased density, is chosen because it represents one of the more frequent types of projects currently being undertaken in the City of Johannesburg Metropolitan Municipality. The scenario further highlights the importance of communication between the various role-players.

The scenario takes place in two distinct phases.

### **Phase one (acquiring a property for development)**

The first phase starts when the owner (customer 1) of a property re-considers his situation regarding his property and decides to sell it. The owner has two options on how to sell his property; private or through an Estate Agent. The owner selects an Estate Agent and inquires about cost implications and other general information relevant to the sale of the property. The owner and the agent agree on the price of the property and other conditions. The agent receives the appointment and mandate as selling agent.

The agent then proceeds to market the property by phoning prospective buyers or by placing advertisements and showing the property to potential buyers. The agent succeeds in finding a developer (customer 2) who requires a property for development. The property at stake has for instance an area of 4 856m<sup>2</sup>.

The developer evaluates current market trends in terms of a demand for erven, cluster homes or sectional title units. In this scenario the developer selects to develop the property with cluster homes.

The developer approaches a Town Planner and instructs him to determine if it is possible to subdivide the property in view of his intention to build cluster homes on the property. The Town Planner determines the following:

- The Council's policy for the area supports the subdivision of the property into portions not smaller than 1000m<sup>2</sup>, which means that the land can be divided into 4 portions; and
- The title deed contains certain restrictive conditions which must be cancelled, e.g. the property may not be subdivided, servitudes that affect the property and other real rights reserved.

The Town Planner recommends that:

- The restrictive conditions in the title deed be cancelled and the property be rezoned to a suitable density; and
- That a subdivision application be submitted to divide the property into 4 portions.

Based on this information and a positive economical viability study, the developer decides to proceed with the purchase of the property.

Prior to signing the sales document the developer approaches a financial institution for finance. The terms for financing the purchase are agreed on. The developer provides the required proof that sufficient security for the finance of the project is available. Agreement is reached and the finance is made available.

After inspection of the property an agreement is reached on the sales conditions.

The parties then sign the sales documents.

A Conveyancing Attorney is approached by the owner. The attorney and the owner agree on the fee for the transfer of the property. The signed sales agreement is forwarded to the Conveyancing Attorney who proceeds with the transfer of the property. The attorney formalises the agreement and arranges signatures. The attorney contacts the financial institutions of the owner and developer and makes arrangements to meet the institution's requirements. The funds are transferred to the property owner's Conveyancing Attorney's trust account. The attorney applies for the rates clearance at the local authority and pays outstanding rates and taxes. The attorney proceeds to affect transfer at the Registrar of Deeds.

The attorney then informs the owner and the developer that transfer has been completed. The new title deed is forwarded to the developer's financial institution as security. The owner receives the balance of the sales price after the deduction of any outstanding money on the loan taken out by the owner as well as any cost relating to the sale of the property. Monthly statements are forwarded to the developer and re-payments are made to the financial institution.

## **Phase two (the development process)**

The Town Planner receives a request for a quote to remove the restrictive conditions contained in the title deed of the property and to rezone the property to allow it to be subdivided. The developer appoints the Town Planner to carry out the work required and to act as project leader of the project team. The developer and the project leader determine the project team and meeting schedules. A project schedule is then compiled.

Other necessary consultants (Architect, Electrical Engineer, Civil Engineer, Structural Engineer, Geotechnical Engineer, Landscape Architect, and Land Surveyor) are approached and requested to provide design proposals and estimated costs for the work to be done. These consultants operate in a variety of firms and form the service providers or professional team of the project.

The Town Planner prepares, submits, and manages the removal of restrictive title conditions and the rezoning application. Upon the approval of the application by the Council and the proclamation thereof, the relevant documentation is forwarded to the developer, Architect, Conveyancing Attorney, Engineers and Land Surveyor. The Town Planner prepares, submits, and manages the subdivision application. Upon approval of the application by the Council, the certificate of consent of subdivision is forwarded to the developer, Land Surveyor, Conveyancing Attorney, Architect and Engineers.

The indicated service providers or professionals may simultaneously operate on the specific aspects for which they have quoted and have been appointed.

The Land Surveyor gathers all the relevant cadastral information from the Surveyor General. A topographical survey of the property is then conducted and used in conjunction with the cadastral information to compile a base plan. This plan indicates the property boundaries, servitudes, contours, existing buildings, trees as well as other required information. This base plan is provided to the Town Planner who compiles the subdivision plan. The subdivision plan is also forwarded to the Electrical Engineer, Civil Engineer and Architect for further design inputs.

On approval of the proposed subdivision the Land Surveyor is then provided with the certificate of consent for subdivision from the Town Planner. The Land Surveyor subsequently conducts the sub-divisional survey according to the

conditions specified by the Council. The base plan is updated and circulated to the professional team. The Land Surveyor prepares, submits, tracks and receives the approved SG diagrams from the Surveyor General. The diagrams are then provided to the developer, Town Planner, Architect and Conveyancing Attorney.

The Architect receives instructions from the developer and relevant information from the Town Planner and Land Surveyor to design a proposal for the homes on the property. The Architect next completes, presents and amends the design proposal. Construction drawings are prepared and the price cost units are compiled. The building plans as well as the site development plan are then submitted for approval. Approved building plans are obtained from the Council and provided to the developer and Structural Engineer.

A services report is compiled and submitted by the Electrical Engineer upon request of the Electrical Department. The Electrical Engineer receives the subdivision and rezoning conditions from the Town Planner. Upon receipt of the subdivision diagrams from the Land Surveyor and the site development plan from the Architect, the Electrical Engineer prepares, design and gets the approval of electrical, intercom and Telkom networks. Quotes are obtained for the installation of the networks and the Electrical Engineer oversees the installation thereof in terms of the approved plans. He issues a certificate of work done and submits the as-build drawings. He receives a clearance certificate from Council. He then forwards copies of the plans and certificate to the developer and attorney.

Services reports are compiled and submitted by the Civil Engineer upon request of the Roads and Storm Water as well as Water and Sewer Departments. The Civil Engineer receives the rezoning and subdivision conditions from the Town Planner as well as the SG diagrams and site development plan. The Civil Engineer prepares, design and gets approval of water, sewer and storm water networks. He obtains quotes for the installation of the networks. He oversees the construction of the service networks. When the work is done he issues a completion certificate and submits it with the as-build drawings. He receives a clearance certificates from the relevant Council Departments. He then forwards the plans and certificates to the developer and attorney.

The Geotechnical Engineer compiles a work schedule and carries out on site work by digging holes and taking samples. He sends the soil samples to a laboratory for tests and on receipt of the results, compiles a geotechnical report and makes recommendations for the foundations required for the dwellings to the Structural Engineer.

The Structural Engineer receives working drawings from the Architect and the report from the Geotechnical Engineer. He designs the structural work for boundary walls, the gate house and dwellings. He obtains approval of plans. He then oversees the work to be done and issues a certificate of work done.

The contractors receive requests for quotations. The developer provides plans and price cost unit tables. The developer selects contractors and appoints them to construct and erect the services networks and cluster units. Work is scheduled and materials are purchased. Construction of the access road, storm-water, water, sewer, electrical, Telkom and intercom networks are done on site. Site works are overseen and payments are made on reaching specific construction milestones.

The developer then appoints an Estate Agent to market the dwelling homes that are being constructed. Sales agreements are signed and deposits are received from purchasers. Rates and taxes, service contributions and connection fees are paid. Notification of transfers is received from the Conveyancing Attorney. Payment information is received from the financial institutions of the purchasers. The dwelling homes are handed over to purchasers and the Home Owners Association responsible for the management of the cluster complex. The developer also pays the NHBRC and accepts responsibility for construction work.

The Conveyancing Attorney receives an appointment upon agreed terms, compiles standard sales agreements and provides the agreements to the Estate Agent responsible for selling the units. He makes application for the Regulation 38 Certificate to the Council. He registers a Home Owners Association as required. He then prepares, lodges and effects transfer of the properties. He registers bonds after obtaining relevant information from the financial institutions. In time he notifies the Council, the developer, the financial institutions and owners of the transfers as required.

The Landscape Architect receives a site development plan from the Architect and a briefing for the design of the gardens as well as the budget from the developer and purchasers. The Landscape Architect proceeds to design the gardens, presents the plan to the developer and house owners and obtains approval. The plants and lawn are purchased, site work is done and irrigation is installed.

During the whole process the developer as customer must be informed by the project leader about the progress of the project. Any problems which may occur are discussed with the developer and solution decisions are taken together. Communication between the developer, the project leader and all the professionals are of the utmost importance.

Before the project can be regarded as complete the services of all the professionals must have been carried out to the satisfaction of the developer. The promises to, and expectations of the developer, must be satisfied. To accomplish this outcome, communication between all the role-players is necessary and each service provider must have upheld the time schedule agreed upon. On completion of the service by each service deliverer, the developer has to pay the fees agreed upon.

The processes described in the foregoing paragraphs necessitate effective communication among the role- players as indicated in Table 2.1. The effective conclusion of the process depends on integrated communication management. This will ensure that the project is completed timeously and in accordance with the expectations of the customer and the promise made.



## CHAPTER 3

### 3 APPLICABLE COMMUNICATION MODELS FOR THE CLOSURE OF GAP 4 OF THE GAPS MODEL OF SERVICE QUALITY

#### 3.1 INTRODUCTION

Following from the description of a typical property development project in the previous chapter, it is necessary to explain how this scenario ties in with the following theoretical models. These models provide the background to the development of the Gaps Model for Service Quality and ultimately Gap 4 of the Gaps Model.

The terms used in these models can be related back to the scenario presented as follows:

**Company/ organisation** – This term represents the professional consultant's firm or service providers that have to render services;

**Providers** – This term represents the supporting personnel and other team members involved in the service delivery process. When the project leader e.g. requires services from other team members, they act in the capacity as providers.

**Customer** – This term represents the property owner or property developer.

#### 3.2 THE SERVICES MARKETING TRIANGLE

The complex nature of service delivery requires active marketing by all parties involved (Kotler, 1997: 473).

The services marketing triangle (Fig. 3.1) shows the three interlinked groups which work together to develop, promote and deliver services. Linking these groups are three types of marketing which must be successfully carried out. All these activities revolve around making and keeping promises to customers (Zeithaml & Bitner, 2000:15).

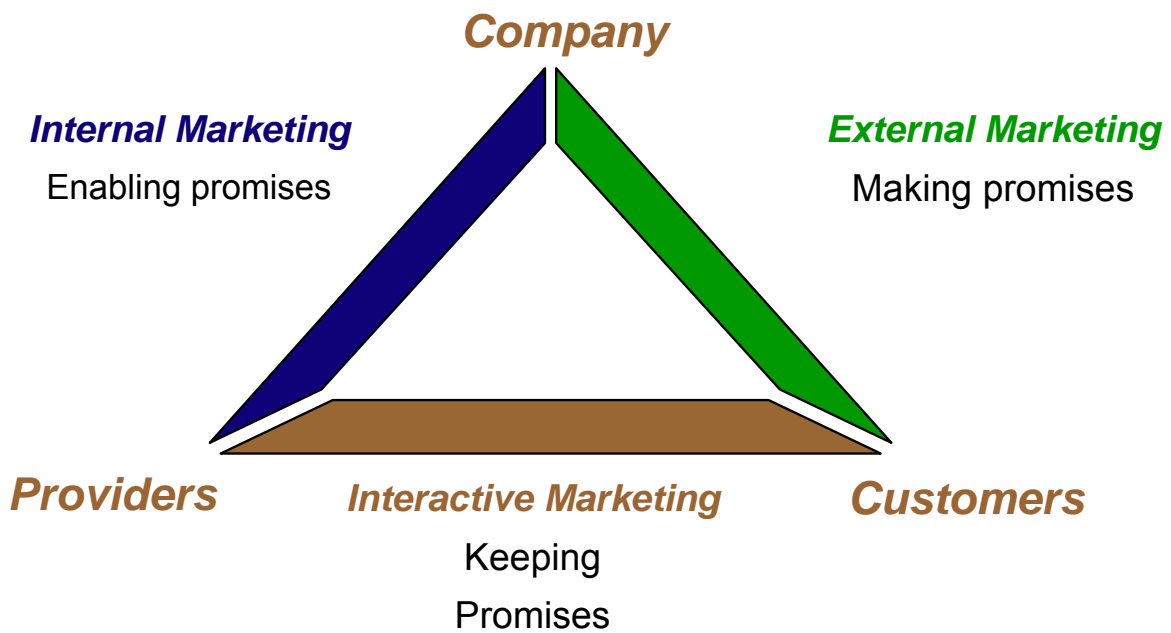


FIGURE 3.1: SERVICES MARKETING TRIANGLE (ZEITHAML & BITNER, 2000:16)

### External Marketing

Kotler (1997:473) defines external marketing as the normal work done by a professional consultant's firm to prepare, price, distribute and promote the service to customers.

External marketing is done by the professional consultant's firm to its customers. The firm promises what it can do for the customer and how it will be delivered. Advertising, sales, promotions and pricing are used as tools. Other important tools are employees, service processes and two-way communication. Consistent and realistic promises are a prerequisite to ensure good customer relationships. Over promising must be avoided (Zeithaml & Bitner, 2000:15).

### Interactive Marketing

Interactive marketing takes place between the customer and the service providers. Interactive marketing is very important from a customer's point of view. The outcome of the interaction between service providers and customers determine the success of the service delivered. The honouring and reliability of the service is tested every time this interaction takes place (Zeithaml & Bitner, 2000:16).

The perceived service quality depends heavily on the quality of the buyer-seller interaction during the service encounter. Because the client judges service

quality not only by its technical quality (was the service delivered successfully) but also by its functional quality (was a commitment/ confidence demonstrated). Service providers must deliver high touch as well as high tech services (Kotler, 1997: 473, 655).

### **Internal Marketing**

Internal marketing happens between the professional consultant's firm and the service providers. The aim of this type of marketing is to describe the promises which will be made to the customers (Zeithaml & Bitner, 2000:416). The service providers must therefore be provided with the necessary tools (e.g. skills, tools, motivation etc.). Kotler (1997:473) adds to this concept by indicating that the firm must train and motivate its employees to serve customers well.

All three types of marketing must be present in the delivery of a service to ensure that promises made are kept by ensuring that the required support is present. Technology can play an important part in providing this type of service to the customers. This is due to the fact that technology has become part of service delivery (e.g. e-mail, fax, SMS, telephone).

### **3.3 THE SERVICE MARKETING MIX**

The service marketing mix represents the elements a professional consultant's firm controls and which can be used to provide a service to customers. The service marketing mix includes product, place, promotion, price, people, physical evidence and process. The last three elements are an extension of the traditional marketing mix. Table 3.1 indicates these elements and some characteristics.

Kotler (1997:472) indicates that people, physical evidence and process should be added to the marketing mix. People provide services. The selection, training and motivation of employees can make a huge difference in customer satisfaction. Ideally employees should exhibit competence, a caring attitude, responsiveness, initiative, problem solving ability and goodwill. Firms also try to demonstrate their service quality through physical evidence and presentation. Professional consultants' firms can choose among different processes to deliver their service.

The intangibility, heterogeneity, simultaneous production and consumption and perishability characteristics of a service flow from these elements. The service providers, customers and third parties participate in the service process which results in physical evidence being created. The indicated characteristics of a service thus appear.

**TABLE 3.1: EXPANDED MARKETING MIX FOR SERVICES (ZEITHAML & BITNER, 2003:19)**

<b>Product</b>	<b>Place</b>	<b>Promotion</b>	<b>Price</b>
Physical good features Quality level Accessories Packaging Warranties Product line Branding	Channel type Exposure Intermediaries Outlet locations Transportation Storage Managing channels	Promotion blend Salespeople Number Selection Training Incentives Advertising Targets Media types Types of ads Copy thrust Sales promotion Publicity	Flexibility Price level Terms Differentiation Discounts Allowances
<b>People</b>	<b>Physical Evidence</b>	<b>Process</b>	
Employees Recruiting Training Motivation Rewards Teamwork Customers Education Training	Facility design Equipment Signage Employee dress Other tangibles Reports Business cards Statements Guarantees	Flow of activities Standardized Customized Number of steps Simple Complex Customer involvement	

Service providers have a major impact on the service which is to be delivered. Their appearance, attitudes and skills influence the customer's perceptions of the service. The provider is the service. Customers can also influence service delivery which affects service quality and their own satisfaction (Zeithaml & Bitner, 2000:19).

Physical evidence represents those tangible aspects of the service which the client touches or experiences such as letters, faxes, business cards, reports, accounts, equipment and physical environment. Physical evidence cues provide excellent opportunities to reconfirm the service provider's commitment to the promised service (Zeithaml & Bitner, 2000:20).

Process refers to the method used to deliver the service. The customer's experience of the delivery steps of this method determines his perception of the service provided. The process can be complicated/ simplified or customised/ standardised (Zeithaml & Bitner, 2000:20).

These elements are within the control of the professional consultant's firm/ service provider and influence the customer's decision to purchase the service, his level of satisfaction and repurchase (Zeithaml & Bitner, 2000:21).

The customer expects a primary service package that is the delivery of the service as promised. Secondary services features can be added to this to make the service more enjoyable or attractive. Most of these features can, however, be copied. Continuous research and development of new features will allow the firm to stay one step ahead. Firms must, however, strive to stay the best in the provision of the primary services features (Kotler, 1997:475).

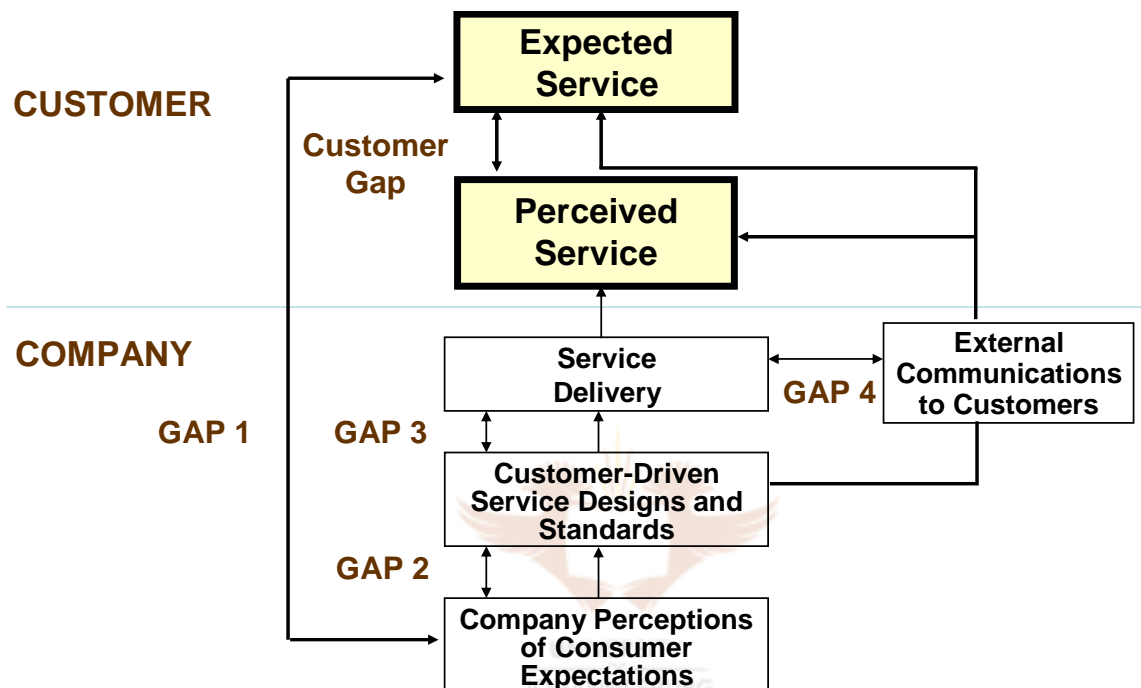
### **3.4 THE GAPS MODEL OF SERVICE QUALITY**

The Gaps Model of Service Quality (Fig. 3.2) will be used to indicate the importance of communication in this scenario and especially how to close the gap between the expected and perceived services through external communication with customers.

Frequent referencing to the Gaps Model as compiled by Parasuraman, Zeithaml and Berry in most literature dealing with service marketing, confirms that this conceptual model is the standard whereby service quality is analysed (Baron & Harris, 2003: 136-141; Bateson & Hoffman, 1999: 340-353; Palmer, 1998: 164-166; Kurtz & Clow, 1998: 110-120). The research and subsequent book by Zeithaml & Bitner focus on this model and analyse the model in more detail. The fact that one of the original researchers of the model is a co-writer of the main reference source, which will be used in this chapter, eliminates to a large extent references to other sources. The book by Zeithaml & Bitner was also prescribed as one of the main study references for two modules (Strategic Marketing and Marketing of Services) that formed part of the lecturing courses of the degree for which this dissertation is required.

Kotler (1997:476) refers to the services quality model compiled by Parasuraman, Zeithaml and Berry who identify five gaps that cause unsuccessful service delivery. The gaps are:

- Gap between consumer expectations and management perceptions;
- Gap between management perception and service-quality specifications;
- Gap between service-quality specifications and service delivery;
- Gap between service delivery and external communications; and
- Gap between perceived service and expected service.



**FIGURE 3.2: GAPS MODEL OF SERVICE QUALITY (ZEITHAML & BITNER, 2000:26)**

The conceptual model, “The Model of Service Quality,” as refined by Zeithaml & Bitner (2000:26) presents an approach focussing on the customer’s gap between expectations and perceptions.

Customer expectations are the standards of, or reference points, for performance against which service experiences are compared and are often formulated in terms of what a customer believes should or will happen. The expectations are created by internal controlled factors (e.g. pricing, promotions) and external uncontrollable factors (e.g. word of mouth communications and competitive offerings). Customer’s perceptions are subjective assessments of actual service experiences.

The provider gaps are:

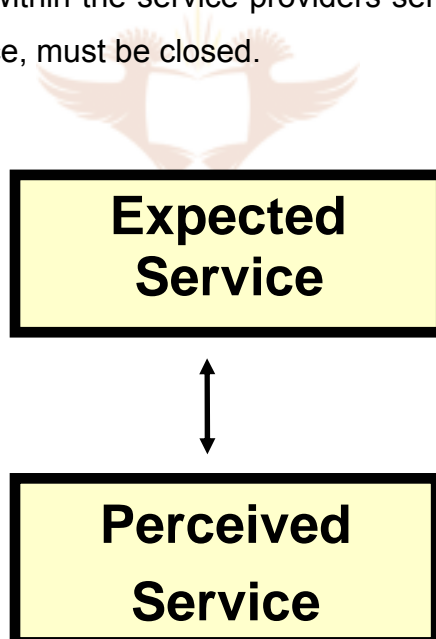
**Gap 1:** Not knowing what customers expect. This is the gap that develops between the service provider's perception of the customer's expectations and what the customer actually expects.

**Gap 2:** Not selecting the right service designs and standards. This is the gap between a company's understanding of customer expectations and development of customer-driven designs and standards.

**Gap 3:** Not delivering the service standards. This gap develops due to the inability to match or better the designs and standards determined as a result of shortfalls in available systems, processes and people required.

**Gap 4:** Not matching performance to promises. This gap develops as a result of discrepancies between service delivery and promises made through external communications.

The Gaps Model, therefore, requires that a service provider must first close the customer's gap between perceptions and expectations (Figure 3.3). To do this the four provider gaps within the service providers service delivery, which inhibit delivery of quality service, must be closed.



**FIGURE 3.3: THE CUSTOMER'S GAP (ZEITHAML & BITNER, 2000:27)**

The importance of customer satisfaction to service providers and focus of service providers to stay competitive requires a clear understanding of its customer's requirements. Knowing (communication) what customers want and how they assess what they receive is the best way to design effective services.

### Provider Gap 4

The fourth provider gap (Fig.3.4) describes the difference between service delivery and the service provider's external communication. Promises made by service providers can raise customer's expectations which serve as the standard against which customers assess service quality. Not matching service delivery with promises made, broadens the customer's gap. Incomplete service delivery can be attributed to many reasons: inefficient marketing communication, over promising in advertising or personnel selling, inadequate co-ordination between operations and marketing and differences in policies and procedures across service outlets.

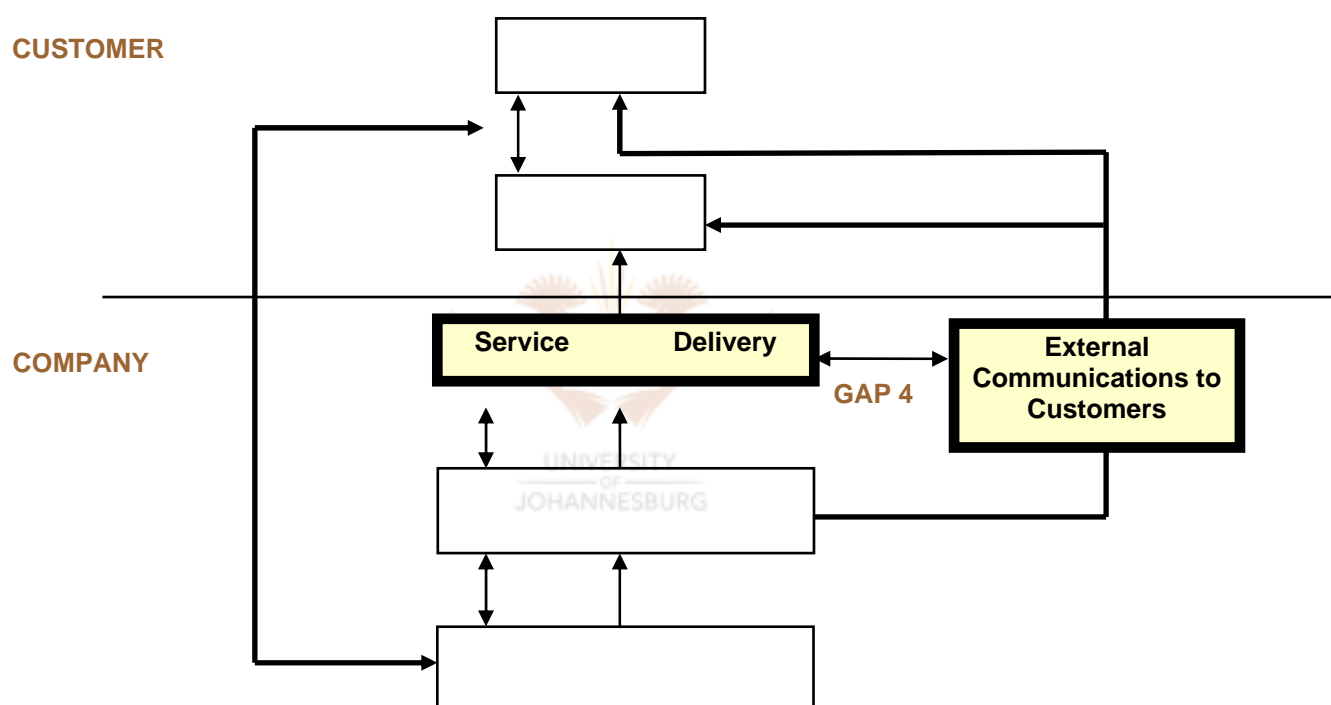


FIGURE 3.4: PROVIDER GAP 4 (ZEITHAML & BITNER, 2003:398)

External communications can further influence customer's service quality assessment through education on how to be better users of the service, what to expect rather than let customers form their own expectation and by being realistic and concrete about what a customer can anticipate in the delivery of a service.

Inadequate co-ordination between operations and marketing can result that the customers' are being presented with unrealistic promises or insufficient information of what to expect. Effective co-ordination of actual service delivery



capabilities and external communications can prevent this problem. Integrated service marketing communications, which is the careful integration and organisation of all of the service marketing firm's external and internal communication channels, will ensure effective co-ordination. Communications which do not over promise or misrepresent are essential in delivering services that customers perceive as high in quality (Zeithaml & Bitner, 2000:399).

### 3.5 THE MODEL OF STRATEGIC COMMUNICATION

The model of strategic communication comprises four dimensions that are essential to effective communication (O Hair et al., 1995: xi).

There are many new options to consider in the creation and transmission of messages. To be competent in transmitting messages it is necessary that a firm be able to communicate strategically. Strategic communication means achieving your potential in the following four areas (O'Hair et al., 1995:29, 37-59).

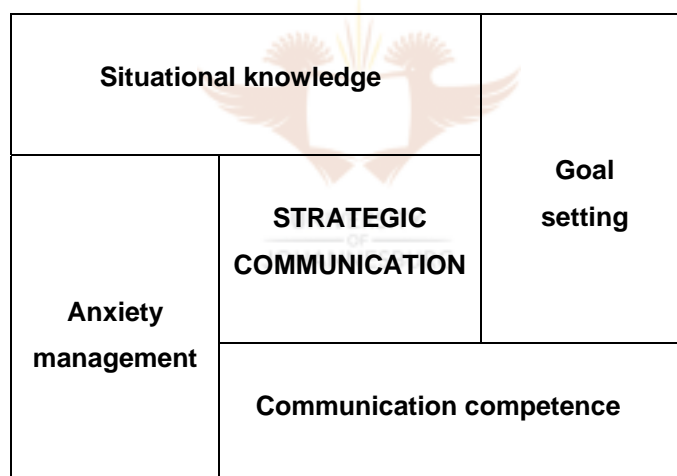


FIGURE 3.5: MODEL OF STRATEGIC COMMUNICATION (O'HAIR ET AL., 1995:30).

#### 3.5.1 Goal-setting

Communication has a greater chance of success when the participants identify clear and specific objectives.

The following six steps are important:

- Identify the problem: Specify exactly what is to be accomplished from the communication event.

- Map out strategy: Determine the level of performance necessary to achieve the desired goal.
- Set a performance goal: Set the goals as high as possible to push the service provider beyond what would be the best performance.
- Identify the resources necessary to achieve the goal: Time, equipment, money, favours, and encouragement are just a few.
- Recognize contingencies that may arise: Contingencies are events, obstacles or circumstances that prevent the firm from reaching the goal.
- Obtain feedback: It indicates when and where adjustment in direction or methods is needed to ensure that the best performance is achieved.

### 3.5.2 Situational knowledge

The fundamental concept is that communication can increase effectiveness by gathering a thorough knowledge of the person or people with whom the firm is communicating.

Aspects in this model are:

- Organizational structure which deals with the levels of responsibility in the organization/ firm. The structure may be tall or large with many divisions or flat.
- Communication climate: The ideal communication climate consists of five dimensions: supportiveness; participative decision making; trust, confidence, and credibility; openness and candour; high performance goals.
- Benefits: It helps to accomplish the personal and organizational goals by knowing whom to communicate with; it gives an idea of what is of value and considered important; it allows for better co-ordination between the members of the organization/ firm; it helps one to grow as an employee.

### 3.5.3 Communication competence

This is the ability to communicate both appropriately and effectively. Four factors are important.

- Messages: Messages must at all cost be specific, accurate, honest, logical, complete, as brief as possible, include time frames, relevant, carried over at the proper rate, be timely, and ask for feedback.

- Internal communication: Messages that are sent or received within the boundaries of the organization/ firm are called internal communication. Messages can be directed upwards, downwards and horizontally within the organization/ firm.
- External communication: Messages sent from the organization/ firm to its environment are called external. Appropriate channels must at all cost be used – face-to-face, telephone, e-mail, written correspondence, public speaking, and statistical numerical reporting. Acceptability plays a vital role because some forms are more acceptable to some people than others. It is, therefore, necessary that the sender must know the preferences of the receiver.
- Channels: Choosing the appropriate channel for the message is critical to communication competence. Channels are the media that carry messages to receivers. These media range from high media richness (face-to-face contact, telephone, and e-mail, written messages) to low media richness (public speaking, statistical and numerical reporting).

#### **3.5.4 Anxiety management**

Some people are anxious before and others during the communication process. Causes of communication anxiety are:

- Novelty – for the first time or with new communications.
- Formality – refers to prescribed actions and behaviours.
- Subordinate status - being subordinate causes anxiety within the organizations employees.
- Conspicuousness - being at the centre of a situation.
- Lack of skill - this causes enormous anxiety.
- Past experience – prior failure in a communication encounter.
- Evaluation – knowing that the performance is being evaluated.

Anxiety takes its toll on the occupational, professional and vocational interests of some individuals. It leads to many unfavourable outcomes. Controlling anxiety requires understanding of communication situations which cause the anxiety and concentrate upon them in order to control the anxiety.

## **CHAPTER 4**

### **4 APPLICABLE LITERATURE TO VERIFY THE PROBLEM STATEMENT AND THE GOALS OF THE STUDY**

#### **4.1 INTRODUCTION**

In order to determine the important role of communication in property development projects, literature was reviewed to establish criteria that could act as a framework to verify the different goals set in Chapter 1.

The following relevant aspects were identified:

#### **4.2 FOUR IMPORTANT REQUIREMENTS IN UNDERTAKING PROPERTY DEVELOPMENT PROJECTS**

##### **4.2.1 The importance of a well-documented project proposal and the selection of a competent project team for property development projects**

In the broadest sense, a project is a specific, finite task to be accomplished. It is usually a one-time activity with a well-defined set of desired end results. It can be divided into sub-tasks that must be accomplished in order to achieve the project's goals (Meredith & Mantel, 2000:9).

Planning plays a central role in the lives of projects and managers. In essence, a plan is an account of how you intend to get from where you are at the moment to the position where you want to be. The following are core elements of a plan:

- Identify the goal;
- Clarify the present position;
- Consider the range of strategies that could be used to achieve the goal;
- Select the most appropriate strategy; and
- Break the strategy down into smaller steps.

The plan must be communicated to the people who will carry it out (Lake, 1999:26-30).

It is, therefore, necessary to have a well-defined project proposal to minimize problems during the execution of the project. The aim of the proposal is to convince a potential client that the group and the project are worthy of support.

All proposals should begin with a short summary statement covering the fundamental nature of the proposal in minimally technical language, as well as the general benefits that are expected. A cover letter must accompany the proposal. The proposal should cover the following four issues (Meredith & Mantel, 2000:68-71):

- The nature of the technical problem and how it is to be approached;
- The plan for implementing the project once it has been accepted;
- The plan for logistic support and administration of the project; and
- A description of the group proposing to do the work, plus its past experience in past and similar work.

The aim of the proposal is to convince a potential client that the group and the project are worthy of support (Meredith & Mantel, 2000:68-71).

The expansion of knowledge, satisfying the continuing demand for more complex and customised products as well as services and the development of world wide markets force role-players to include cultural and environmental differences in the managerial decisions. The required knowledge to deal with these three forces does not reside in any one individual. Under these forces teams are used for making decisions and taking action. This calls for a high level of co-ordination and co-operation between groups of people not particularly used to such interaction (Meredith & Mantel, 2000:2).

After projects have been evaluated and a project team has been selected, a project leader must be appointed. This person will take responsibility for planning, implementing and completing the project (Meredith & Mantel, 2000:85). The project leader is expected to integrate all aspects of the project, ensure that the proper knowledge and resources are available when and where needed, and above all, ensure that the expected results are produced in a timely, cost-effective manner (Meredith & Mantel, 2000:4-5).

Fryer (1996:49) defines project management as the overall planning, control and co-ordination of a project from inception to completion, aimed at meeting the client's requirements and ensuring completion on time, within cost and required standards. This role can be broken into four main areas, namely:

- Advising the client at the outset of the project on financing and land acquisition, preparing the brief and appointing consultants and contractors;
- Planning, controlling and directing the project for the client;
- Motivating and co-ordinating all participants to achieve project completion to programme and within budget; and
- Providing a project that satisfies the client's requirements in terms of quality, performance and cost.

The expectations of the client, in addition to time, cost and specifications, can lead to an increase in the scope of a project. Traditionally the client specifies a desired outcome for a project (Meredith & Mantel, 2000:3).

Customer satisfaction is the key to organisational success for it is the satisfied customer who accounts for the repeated business that organisations/ firms need to survive and thrive on. The energy, commitment and flexibility associated with work teams promote customer satisfaction through quick response and improved quality (Gibson, 1997:214).

It is necessary that the team members be orientated on the project goals (Meredith & Mantel, 2000:87). The ever-present goals of meeting performance, time and cost are the major considerations throughout the project's life cycle. Performance takes precedence early in the project's life cycle. This is the time to focus on specific methods required to meet the project's performance goals (Meredith & Mantel, 2000:15).

The following are characteristics essential to the team members:

- High quality technical skills to solve most of the technical problems of a project without recourse to outside assistance;
- Political sensitivity to ensure support from management;
- Strong problem orientation that improves the chances for successful completion of a multi-disciplinary project;
- Strong goal orientation; and
- High self-esteem to deal with past failures and errors and possible problems caused by other team members (Meredith & Mantel, 2000: 96-97).

From the beginning of the project to its termination, crises can appear without warning. No amount of planning can take into account the myriad changes that can occur in the project's environment (Meredith & Mantel, 2000:99). Making promises to the client must make provision for such crises or at least must be communicated to the client when they occur.

#### **4.2.2 The important role of service marketing in the selling of services to customers of property development projects**

The competitive services market and the survival of knowledge based firms demand that existing customers are retained at all cost and that new customers be sourced where possible. Purposeful actions must, therefore, be developed to create relationships with customers and to maintain existing relationships. Clients evaluate not only the content of the service but also the manner in which the service is presented (Du Preez, 1992:44).

The purpose of marketing is to identify and establish, maintain and enhance, and when necessary terminate relationships with customers so that the objectives regarding economic and other variables of all parties are met. This is achieved through a mutual exchange and fulfilment of promises (Grönroos, 2000:243).

All organizations/ firms have external customers and suppliers. The customers are the people who receive the service or buy the products that the organization is in business to provide. A customer may be an individual, a group of people or another organization/ firm. Frequently, a product passes through the hands of several different customers before it reaches the end-user (Lake, 1999:3).

External suppliers are the people who provide the things that the organization/ firm need in order to make its products or to deliver its service. An organization/ firm is connected to other organizations by customer/ supplier chains (Lake, 1999:4).

Professional services are what economists sometimes call "credence" goods, in that purchasers must place great faith in those who sell the service. Most people are ignorant of professional services and timid when they have used them. Often they are unsure if they have to use one. Even if they recognize their need for help, they may entertain wrong ideas about what the service

should cost and what the professional can reasonably be expected to do for them (Bloom, 1984:104).

The professional service organisation/ firms should educate clients about the following:

- When they should seek professional services;
- Which attributes to consider in evaluating different providers;
- How to communicate their concerns, desires or other issues to professionals; and
- What they can realistically expect providers to accomplish.

This can lead to increasing buyer loyalty (Bloom, 1984:104).

Clients generally prefer to be courted by the persons who actually perform the service. They feel uncomfortable buying a service from a person they will never see again (Bloom, 1984:107).

Professional service marketing means to attract the clients desired. Marketing services is dramatically different from marketing products. A service is inseparable from the person supplying it. This means that marketing functions cannot be relegated to a marketing department, but must be assumed by the service provider himself. A service provider who combines professional skills with interpersonal skills will build a loyal clientele. The provider cannot physically display the service in advance and therefore must fully understand what benefits he provides and must know how to present these benefits to potential customers (Van Doorn, Smith & Biglin, 1985:20-21).

Services are highly heterogeneous and extremely difficult to define in general terms. Professional service has the following characteristics:

- It is highly knowledge intensive, delivered by people with higher education and frequently closely linked to scientific knowledge development within the relevant area of expertise;
- It involves a high degree of customization;
- It involves a high degree of discretionary effort and personal judgement by the experts delivering the service;
- It typically requires substantial interaction with the client; and



- It is delivered within the constraints of a professional norm of conduct, including setting client needs higher than profits and respecting the limits of professional expertise (Lowendahl, 199:20).

Kotler & Armstrong (1996:661) and Ivancevich et al. (1997:450) mention another four characteristics of a service:

- Intangibility – services can not be seen, tasted, felt, heard or smelled before they are bought and must therefore be supported by the physical capabilities of the service provider;
- Variability – services quality may vary greatly, depending on who provides them and when, where and how. It is therefore necessary that the project team must be selected with the greatest care;
- Inseparability – services are produced and consumed at the same time and cannot be separated from their providers, whether the providers are people or machines; and
- Perishability – services cannot be stored for later use and must be used effectively to obtain the perceived objectives of the client.

The value creation processes of professional service firms may be summarised by three critical processes:

- The ability of the firm to sell a credible promise. It includes the negotiation of the terms of contract, including efforts to develop the appropriate level of expectations in the client's firm and the assurance that the service supplier only promises what the firm can provide;
- The set of activities required in order to deliver what has been promised. It involves both the client's firm and the professionals assigned; and
- The process of learning from the project and institutionalizing this learning to the extent that it can be utilized for both improved service quality and improved efficiency with future clients (Lowendahl, 1997:42-43).

According to Normann (2000:82-84) there are four ingredients of a service package, namely:

- Specialized capacity to deliver services: In providing this type of service it proves that the service can add value to the client's operations;

- Linkages and social relations: Another function of the firm is to link clients and other resources. Tour operators and transport companies are obvious examples;
- Transfer of know-how: A company can either provide specialized services to a client from its own ranks, or can make use of more skilled resources and have access to some large-scale administrative system or to some highly advanced technology which the client cannot afford nor has the knowledge to do himself; and
- Management and organization as a service product: An interesting trend is that many service companies are now actually selling management systems rather than service as such.

Du Preez (1992:44) adds a fifth ingredient, namely that the procedures and methods used in service delivery must be customer orientated and sensitive as it influences the perception that the customer develops regarding the service.

To succeed in today's competitive marketplace, organisations/ firms must be customer centred, winning customers from competitors by delivering greater value. But before it can satisfy consumers, an organisation/ firm must first understand their needs and wants. Too many consumers, however, exist and not all can be satisfied by the organisation. An organisation/ firm must therefore choose the best segment and design strategies for profitably serving the chosen segments better than its competitors do. This process involves four steps:

- A thorough analysis of the current and future size of the market and its various segments must be made. The possible market growth must also be determined.
- The market is normally divided into distinct groups of buyers with different needs, characteristics or behaviour who might require separate products or marketing mixes.
- Market targeting is the process of evaluating each market segment's attractiveness and selecting one or more segments to enter. A company should target segments that can create the greatest customer value and sustain it over time.

- It calls for the formulation of a competitive and detailed marketing mix for the product/service. Once the company/ firm have chosen a desired position, it must take strong steps to deliver and communicate that position to targeted consumers (Kotler et al., 1996:45-47).

Professionals find it useful to possess and promote the following attributes:

- Personal involvement in cases or projects by high-level professionals;
- Easy access to services;
- On-time completion of work;
- The use of state-of-the-art support equipment like computers, communication systems, and testing devices;
- Easy-to-understand reports, presentations, and invoices; and
- Frequent follow-up contacts to ensure satisfaction (Bloom, 1984:107).

When establishing credibility with a client, the following must be kept in mind: gather as much intelligence as possible on the organization/ firm, never promise more than what can be delivered, and try to give more than just advice. In order to succeed, it is important to strengthen relationships with key management in the targeted organization/ firm. The service provider must also gain an in-depth understanding of the needs and challenges facing the targeted client, and to establish credibility in assisting with a broad spectrum of management and operating issues (Stewart, 2000:43-53).

Many ethical and legal constraints are imposed on professional marketing by the state and local professional societies, certification boards etc. The professional service organization must take these constraints into account in its marketing effort. The professional firm can take certain steps to ensure that its activities stay within ethical and legal boundaries:

- It can participate in peer reviews and self-regulation programs;
- Make a commitment to educate clients or partners about what constitutes acceptable professional behaviour; and
- An explanation of how and why services are being performed in certain ways can help to limit inappropriate requests and to build trust and avoid

misunderstandings between themselves and the people they serve (Bloom, 1984:103-104).

#### **4.2.3 The necessity of building relationships among the role-players of property development projects**

People enter into co-operative agreements with others for a variety of reasons namely, individuals may not have the skills, the resources, the time, the energy or the space to do all the tasks necessary for a finished product or service (Di Salvo, 1977:12).

According to Cheng, Li, Love and Irani (2001), the parties may choose to form an informal alliance which has a virtual and dynamic structure that facilitates the exchange and sharing of information since all parties are co-ordinated horizontally and personally. Such parties possess different skills and each sets out to be efficient. Fryer (1996:51) adds that sub-contracting can take place and requires effective co-ordination and integration between the sub-contractor and the project leader.

Relationships are described in a variety of terms e.g. relationships, alliances, and partnering. Definitions given by Fryer (1996:52), Grossman (1998), Varadarajan et al. *in* Jarratt, (1989) and Grönroos (2000:33-34) share the following description of relationships: it is a customer-centred approach, sharing of risks and common objectives to achieve common goals by 'pooling' specific resources and skills in order to build a long-term relationship. This relationship has to be earned by the service provider.

One way of expanding a firm's client base is through a structural targeting program. A targeting program is about building relationships, investing the time to understand a prospective business' needs, providing advice, suggestions or customised solutions. The aim is to win the confidence of senior management and to secure a new client or to expand service offerings to an existing client (Stewart, 2000:42).

According to Grönroos (2000:30), partnerships and networks of firms are formed horizontally and vertically. Sustaining competitive advantage requires co-operation because single organizations/ firms cannot execute its strategy without drawing from the skills and resources of other organizations/ firms. The market environment requires fast response times, high value added and risk.

Each partner contributes some part of the core competence that the other needs, but which it does not have available internally (Cravens & Piercy, 1994).

Trust is considered to be a crucial element in all human relations and is built on three elements including predictability, dependability and faith. Since trust is built through experience, the more positive the experience the consumer has with the service provider, the more trusting he/she is likely to become. Commitment is also important in building relationships and refers to the tendency to feel attached to the relationship. Commitment can be reflected in communications to customers, but must be backed up with actual service (Grossman, 1998).

Gremler, Gwinner and Brown (2001) add two more elements which can enhance the building of relationships. Familiarity is the customer's perception that the employee has personal recognition of the customer and knows specific details about his service needs and is driven by the frequency of the interaction and the depth of the interaction. Care is a customer's perception of the employee having genuine concern of the customer's well-being.

Technical quality and trust have the most significant impact on relationship commitment. The customer wants the best possible return on funds invested at some agreed level of risk. Clients will only stay in the relationship as long as they perceive that the sum of the benefits exceeds the costs (Sharma & Patterson, 1999).

Partnerships that are intentionally constructed are more successful than those that simply evolve. The main reason why alliances fail is a lack of trust between the partners (Dent, 2002:10-11).

Clients in today's environment are looking for true customised products and services which make a significant difference to their business. If this approach is applied, it generates a great deal of positive feelings. Making the client feel special is the cornerstone to any real relationship. In the early stage of the relationship it is important that the professional does not act in a manner which raises the client's expectations of service delivery higher than can be sustained (Ferguson, 1996).

The above-mentioned elements of a relationship are based on interaction between the customer and the employee. Interpersonal communication is a

substantial part of the interaction process and can therefore be regarded as a procedural element of relationships (Oikkonen, Tikkanen and Alajoutsijärvi, 2000).

A planned campaign of contact must be devised and implemented to ensure that the relationship is developed to the maximum benefit of both the client and the professional. The programme should include face-to-face meetings, telephone calls and mailings. Most of all there must be an open channel of communication (Ferguson, 1996).

#### **4.2.4 The importance of delivering quality services to customers of property development projects**

Quality is what customers perceive and cannot be determined by management alone; it has to be based on customers' perceived service quality. Quality is produced in a series of moments of truth of service encounters or interaction. External marketing has to be integrated into quality management. It is therefore paramount that a customer-oriented service attitude be developed in any company/ firm. Customers should be advised and encouraged on how to act in the service delivery process, so that they can have a favourable impact on the process itself (Grönroos, 2000:109-111).

Quality of services is perceived through a comparison between expectations and experiences over a number of quality attributes. Good perceived quality is obtained when the experienced quality meets the expectations of the customer; that is, the expected quality. If expectations are unrealistic, the total perceived quality will be low, even if the experienced quality measured in the objective way is good. If a service provider over promises, it raises a customer's expectations too high and consequently, customers will perceive that he gets low quality service (Grönroos, 2000:68-72).

Grönroos (2000:81) lists the following criteria for good perceived service quality:

- Professionalism and skills: Customers realize that the service provider, its employees, operational systems, and physical resources have the knowledge and skills required to solve their problems in a professional way.

- Attitudes and behaviour: Customers feel that the service providers/employees are concerned about them and interested in solving their problems in a friendly and spontaneous way.
- Accessibility and flexibility: Customers feel that the service provider, its location, operating hours, employees, and operational systems are designed and operate so that it is easy to get access to the service and that the provider is prepared to adjust to the demands and wishes of the customer in a flexible way.
- Reliability and trustworthiness: Customers know that whatever takes place or has been agreed upon, they can rely on the service provider, its employees and systems, to keep promises and perform with the best interest of the customer at heart.
- Service recovery: Customers realise that whenever something goes wrong or something unpredictable happens, the service provider will immediately and actively take action to keep them in control of the situation and find a new, acceptable solution.
- Service cape: Customers feel that the physical surrounding and other aspects of the environment of the service encounter support a positive experience of the service process.
- Reputation and credibility: Customers believe that the service providers' business can be trusted to give adequate value for money, and that it stands for good performance and values which can be shared by customers and the service provider.

Grönroos (2000:190-191) formulates the following service-orientated strategy: "Greater customer satisfaction has a twofold effect. Internally, the working atmosphere will improve and employees will notice it and be motivated to deliver better services. Improved customer satisfaction has also external effects. Existing customers may increase their business with the service provider and new customers will be attracted to the service provider."

### 4.3 FOUR RECOMMENDED STEPS TO CLOSE GAP 4 OF THE GAPS MODEL OF SERVICE QUALITY

In Chapter 1 it is stated that the prime objective of the study is to investigate the closure of Gap 4 of the Gaps Model. The Integrated Services Marketing Communications Model serves as a pathway to investigate the theoretical aspects concerned (Zeithaml & Bitner, 2000:16 & 403). This model revolves around making, enabling and keeping promises to customers. Marketing of promises through communication is essential to succeed in fulfilling the expectations of customers.

Figure 4.1 expands the service marketing triangle presented in Figure 2.1 by indicating that three types of marketing communications are required to ensure that the correct message reaches the customer.

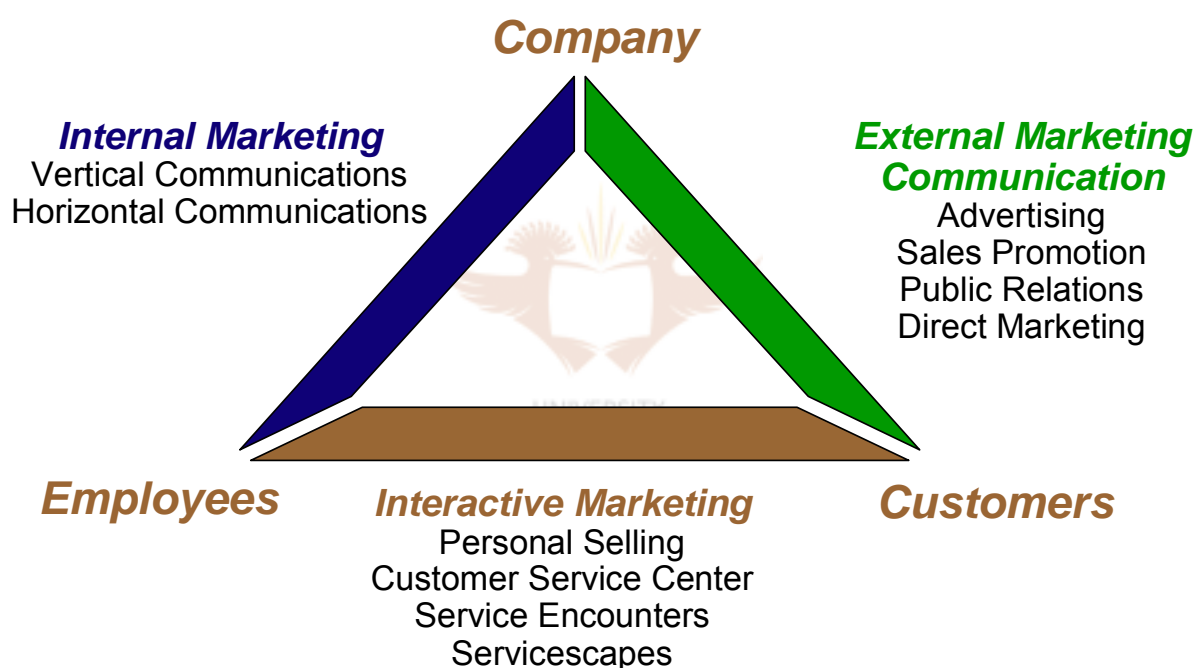


FIGURE 4.1: COMMUNICATIONS AND SERVICES MARKETING TRIANGLE (ZEITHAML & BITNER, 2000:403)

**External marketing** (making promises) extends from the company/ professional consultant’s firm to the customer and includes traditional communication such as advertising, sales promotion, public relations and direct marketing.

**Interactive marketing** (keeping promises) deals with the message the employees give to customers by means of personal selling, customer service centre, service encounters and service capes.



**Internal marketing** (enabling promises) is required to ensure that the first two types of communication are successful. This communication takes place between the company/ firm and employees and must be accurate, complete and consistent with what customers are experiencing. This is achieved by well co-ordinated horizontal (between departments and people) and vertical (between management and employees) communication.

Zeithaml & Bitner (2000:402-425) give four aspects which deal with integrated service marketing communications as a means to close the gap, namely:

- **The need for co-ordination in marketing communication;**
- **Key reasons for service communication problems;**
- **Different categories of strategies to match service promises with delivery; and**
- **The necessity to exceed customer's expectations.**

These aspects will be the focus of this section.

#### **4.3.1 The need for co-ordination in marketing communication**

The introduction of additional marketing mechanisms has changed marketing communication. Customers are therefore subjected to a greater variety and volume of information about services. This complicates the service message the customers receive. Customers can, as a result of the complication, develop unrealistic expectations compared to the service they will receive. A service delivery company therefore needs to co-ordinate the development of its marketing communication message and its delivering capacity (Zeithaml & Bitner, 2000:403).

Integrated marketing communication is a strategy that integrates traditional media marketing, direct marketing, public relations and other distinct marketing communication media as well as communication aspects of the delivery and consumption of goods and services and of customer service and other customer encounters (Grönroos, 2000:266).

A service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, takes place in interactions between the customer and the service provider and/ or physical resources or goods and/ or systems of the service provider, which are provided as solutions to customer

problems (Grönroos, 2000:46). Grönroos (2000:3) states that customers do not buy goods or services, they buy the benefits goods and services provide them with. Such offerings render services to them, and it is this customer-perceived service of an offering that creates value for them.

The customers of service providers are the target of two types of marketing communication namely, external communication by means of traditional marketing procedures and interactive communications from employees through personnel selling, service encounters and service capsules. The communication messages must be consistent in both instances. The third side of the triangle must therefore be managed in order to prevent different messages from reaching the customer. To do this, internal marketing communications channels must be managed so that employees and the company/ firm are in agreement about what is communicated to the customer. Figure 4.1 indicates the different forms of communication. This requires both vertical communications (internal marketing), and horizontal communications across departments (Zeithaml & Bitner, 2000:403-405).

The responsibilities of marketing do not only include making promises and thus persuading customers to act in a given way. If promises are not fulfilled, the revolving relationship cannot be maintained or enhanced. Keeping promises is equally important as a means of achieving customer satisfaction, retention of the customer base, and long-term profitability. Managing promises is not an easy task because promises can be explicit (e.g. the provider promises to give an answer to a question after a website research) or implicit (e.g. the customer interprets that the provider will respond promptly) (Grönroos, 2000:244).

For many services, an important component of the offering is the interpersonal interaction between employees and customers. One key dimension of the employee-customer relationship is the interpersonal trust, or “confidence in an employee’s reliability and integrity”. As a customer’s trust increases in a specific employee (or employees), positive word of mouth communication about the organization is likely to increase. Such trust is a consequence of three other interpersonal relationship dimensions: familiarity between the employee and the customer, a personal connection between the employee and the customer, and care displayed by employees (Gremler et al., 2001). O’Hair et al. (1995:208-209) say that customers often base their communication with

business and its ability to meet their needs on the communication with a business representative. It is difficult to please customers if you don't know their needs. Communicating effectively with customer's, means taking responsibility for customers' needs and addressing those needs enthusiastically, employing appropriate communication skills as well as dealing sensitively with customer complaints.

Communication requires two or more people who construct meaning together. They have to take each other into account and have to work together according to a set of rules. People have to pay attention to each other at the same time. They have to learn to develop mutual expectations. If mutual awareness exists then mutual influence becomes possible. People need to ensure that others understand what they are saying. Words do not have meaning by themselves. People give meaning to words. The same words therefore might have different meaning for different people. Effective communication therefore demands that people work together to ensure that the meaning created is the same for all. There must be a sharing of meaning (Fielding, 1997:4). Communication is the exchange of oral, nonverbal, and written messages within a system of interrelated and interdependent people working together to accomplish common tasks and goals. A good understanding of organizational communication provides you with options when you face tasks that need to be accomplished efficiently and effectively (O'Hair et al., 1995:13-14).

The purpose of communication is to shape realistic expectations, to help educate clients to become more financially literate, to keep clients informed about their investments in a language that they can understand and finally to show clients that the service providers care about the relationship that exists. Communication effectiveness is instrumental for a continuing adviser-client relationship, or any personal relationship for that matter. For professional services the most significant element in determining consumer outlook is trust. Trust is a key construct in most models of long-term business as well as personal, professional services. It is not enough to contact the customer regularly – although this is essential. Communications need to focus on the clients' needs and circumstances. Such contact must reflect the requirement to inform and educate, not just to sell (Sharma & Patterson, 1999).

Relationship scholars agree that communication is a fundamental aspect of relationship development. Communication is the quintessence of co-ordinating behaviour in any organizational setting, and marketing relationships are no exceptions. Communication is the glue that holds together an inter-organizational channel of distribution. Communication is defined as the human act of transferring a message to others and making it understood in a meaningful way. This definition focuses on the efficacy of communication in producing the desired effect rather on the frequency or modality of information exchange (Andersen, 2001:2).

Communication is important to most professions because communication is a vital aspect of all organizations. Effective communication permits members to co-operate and co-ordinate. Ineffective communication often leads to failure to co-operate and co-ordinate, and that failure may hinder the organization's effectiveness. It appears that the greater the diversification of tasks within the organization, the greater the organization's need for co-ordination through effective and efficient communication (Di Salvo, 1977:4).

Effective communication is the result of a common understanding between the communicator and the receiver. To improve communication, managers must seek not only to be understood but also to understand. Just listening is not enough, one must listen with understanding. The commandments of listening are: stop talking, put the speaker at ease, show the speaker that you want to listen, remove distractions, empathise with the speaker, be patient, hold your temper, go easy on argument and criticism, ask questions and stop talking.

Despite the tremendous advances in communication and information technology, communication among people in organisations/ firms leaves much to be desired. Communication among people depends not on technology but rather on forces in people and their surroundings. It is a process within people. Recognising the ever-growing importance of communication, more and more organisations/ firms are implementing programs designed to assess managerial communication skills and to provide follow-up training to overcome any deficiencies. Managers who have participated in such programs have been found to possess significantly higher interpersonal skills and problem-solving abilities, leading to higher productivity levels, than those who have not (Gibson et al., 1997:407- 408, 426).

Communication systems have to be set up to ensure that common goals can be reached. An atmosphere of trust has to be established to ensure that the best possible communication takes place. Members of the company have to be trained in the preparation and delivery of messages (Fielding, 1997:31). Organisations/ firms can not exist without effective communication. This means that they have to be structured to achieve the best possible flow of information. This structure does, however, place certain restrictions on how information flows and the content of the messages. In addition, members of the organisation/ firm have different needs, perceptions and expectations. This implies that communication will not always be perfect (Fielding, 1997:42).

Poor communication has, for instance, long been a problem in the construction industry. Part of the trouble is the way the industry is organised. The project team is made up of people from many different firms. Their contributions vary and a lot of information has to pass among them. This requires a well-organised network of communication using the latest technology. Even when this network exists, communication still breaks down at a personal level, because people fail to keep their messages simple; they pass on too much information or too little; the information they give is inaccurate or misleading. The size of the firm matters. In small organizations, communication is often good. People are closer to each other and problems can be addressed immediately. Communication is more direct. Decision makers and implementers are closer to each other (Fryer, 1996:69).

Communication serves many functions, some of which are (Fryer, 1996:70-71):

- Information function – the transfer of information all the time between people;
- Instrumental function – getting things done through instructions to the different role-players involved;
- Social relationship function – maintaining and building relationships revolve around good communication;
- Expression function – people are able to express their feelings through communication;
- Attitude change function – more than giving orders might be required in order to get an employee to do what is required; and

- Role related or ritual function – people communicate because of their role in the organization.

Communication in companies and project organisations can be classified as upward, downward and lateral (Fryer, 1996:72-73).

- Lateral communication takes place between people of the same status (e.g. consultants to contracts manager), whilst some is between people with functional relationships (e.g. plant manager and site supervisor). Within a work group, a lot of lateral communication takes place and is expected to take place, as people swap information and advice about the job. Much of this information travels along the grapevine and it travels fast. This can be vital for getting the work done quickly and efficiently.
- Upward communication provides essential feedback to management. It is used for reporting progress, making suggestions and seeking clarification or help, although people often seek help from their peers before going to their bosses. Upward communication is often delayed and distorted due to the fact that employees do not want to report poor performances to their bosses. They get told what they want to hear or what their employees think they want to hear. Upward communication gets distorted when the sender wants to get promoted. People are also reluctant to take suggestions or complaints to their bosses if it means admitting to failure.
- Downward communication is used not only to give instructions and explain strategies and objectives, but to give people information about their progress, as in appraisal interviews, and to give advice as in contacts between head office specialists and site personnel.

Communication with sub-contractors demands special attention. Sub-contractors have dual responsibilities to both the main contractor and their parent company. Lateral and upward communications compete with each other in this scenario. This is a problem in any task-force or matrix organisation and there is a heavy reliance on contract documentation to define the duties and obligations of the contractor and sub-contractor. It is vital that good communication is established at the outset and that contractor and sub-contractor have continual, direct contact throughout the sub-contract period. Special problems arise with engineering services on complex projects and main

contactors have to appoint service co-ordinators to liaise with service sub-contractors and consultants (Fryer, 1996:72-73).

The interaction between service employees and customers, commonly referred to as the service encounter, is a critical part of the service delivery process because its elements greatly impact on customer's evaluations of service consumption experiences. It is absolutely necessary for employees to take cognizance of the importance of continuously striving to improve the quality of the interactions that take place in their business firms. The employee's verbal behaviour during the encounter affects the customer's perceptions of the employee. The majority of service delivery situations involve considerable interpersonal contact between service provider and customer (Sundaram & Webster, 2000).

Companies which experience dissatisfied customers did not make provision for integrated services marketing communication. The various departments operate independently and send out messages to customers which are incompatible. More companies are, however, adapting integrated services marketing communication to co-ordinate their external communication channels (Zeithaml & Bitner, 2000:405).

#### **4.3.2 Key reasons for service communication problems**

The customer's perceptions of service quality are noticeably affected when inflated promises are made or inadequate information about the service delivery experience is provided due to inconsistencies between service delivery and external communication. Zeithaml & Bitner (2000:405) indicate that these communication problems are created as a result of:

##### **4.3.2.1 Inadequate management of service promises**

An inconsistency between service delivery and promises develops when a service provider/company fails to manage service promises, in other words, commitment presented by sales people, advertising and service personnel (Zeithaml & Bitner, 2000:405). Reasons for this inconsistency include:

- A lack of information regarding capabilities and customers expectations;
- Poor internal communication co-ordination; and
- Demand and supply variations.

The traditional functional structure in many companies/ firms results in poor horizontal and vertical communication. The delivery or completion of a service as promised can therefore not always be guaranteed.

Di Salvo (1977:7) says that many cases of conflict, hard feelings, misunderstanding and missed delivery dates can be traced to people who failed to apply the necessary communication skills.

It sometimes happens that the provider does not inform the customer of an unforeseen delay or obstacle. This act is sometimes perceived as negative communication. The customer is afraid that he will lose control if this situation continues (Grönroos, 2000:268).

#### **4.3.2.2 Inadequate management of customer expectations**

Appropriate and accurate communication about services is the responsibility of all departments in a company/ firm. Marketing must, for instance, accurately reflect what can be delivered and operations must deliver what was promised. Marketing promises which generate inflated customers expectations that can not be met will result in disappointed customers.

Deregulation and increased competition force companies to market themselves more forcefully to attract and retain customers. To accomplish these aims companies/ firms subject themselves to over promising. Raising expectations to unrealistic levels may lead to more initial business but ultimately to customer disappointment and loss of clients (Zeithaml & Bitner, 2000:406).

According to Berry, Parasuraman and Zeithaml (1988:37-38), customer's expectations for a particular service shape their assessment of the quality of that service. When there is a discrepancy between customer's expectations and management's understanding of these expectations, perceived service quality will suffer. Management's failure to identify customer desires accurately is one kind of a quality gap. Even when management fully understands customer expectations, service-quality problems may occur.

There is more variability among service outcomes in labour-intensive services. Decentralized service production through a chain of outlets complicates quality control, because the organizational layers between senior



management and front-line service providers hinder two-way communication and makes it more difficult to assess individual employee's performances.

Service quality suffers when employees are unwilling or unable to perform a service at the level required. There are many opportunities for something to go wrong when the service provider and the customer interact, when both parties experience and respond to each other's mannerisms, attitude, competence, mood, dress, language, and so forth.

Dissatisfaction in relations is likely to occur. When people are dissatisfied they may engage in a number of behaviours including exit, voice and loyalty. Exit refers to ending the relationship, voice is an effort to attempt to improve the situation and loyalty is a passive acceptance of the situation. The likelihood that an individual will engage in these behaviours depends on the degree of prior satisfaction with the relationship, the magnitude of the customer's investment in the relationship and an evaluation of the alternatives (Grossman, 1998).

#### **4.3.2.3 Inadequate customer education**

Inconsistencies between service delivery and promises can also develop due to insufficient client education. Zeithaml & Bitner (2000:406) indicate that customer dissatisfaction can develop as a result of:

- Uncertainty about how the service will be delivered;
- Uncertainty about their role in the delivery of the service;
- Lack of standards by which to evaluate the service they expect; and
- Service over-loads due to unsynchronised supply and demand capacity.

Inexperienced customers may not know how to use the service correctly and this may result in them not being satisfied. The company/ firm must therefore assume responsibility for educating customers.

For service high in credence properties (confidence properties) many customers do not even know the criteria by which they should judge the service. For high involvement services customers are also unlikely to understand and anticipate the service process.

First time users of property development services and developers rarely understand the complex net of services and processes which will be involved in their purchases of services required. Customers defect because they can neither understand the process nor appreciate the value received from the service (Zeithaml & Bitner, 2000:407).

#### **4.3.2.4 Inadequate internal marketing communication**

The multiple functions of an organisation/ firm require co-ordination to achieve the goal of service provision. Insufficient co-ordination will result in promises being made which do not match service levels. Horizontal communication between markets and operation personnel must ensure that promises which are made can be executed. If this does not take place quality service can not be delivered.

Consistency in policies and procedures across departments and branches are further required to provide a quality service. A lack of consistency can result in reverse levels fluctuating between departments and branches. Focus must at all times be on what people do to ensure that quality service is provided (Zeithaml & Bitner, 2000:407).

Isaacson (1987:106-108) lists the following reasons why professional services fail at marketing:

- They feel marketing is beneath them – what is necessary and appropriate for business people, are not necessarily appropriate for professionals.
- They are blinded by tradition – we got all our business through references!
- They are afraid of what marketing will ask of them – they regard marketing and selling as being the same thing.
- They do not understand it –a misconception of what marketing really means.
- They assign responsibility to non-specialists – they staff the slot with either an outsider or insider without any experience.
- They underestimate the importance of strategy – they do not give attention to analysis, strategy and planning.

- They do not give it a full management commitment - it becomes somebody's job, not a business commitment.
- They do not follow through with needed resources - poor budgeting and resources hinder progressive marketing.
- They quit on it – marketing in the professional sphere does not produce lightning-fast results.
- They do not know where to go for help – “let's send Jerry” to a course instead of “let's get some professional help”.

### **4.3.3 Different categories of strategies to match service promises with delivery**

#### **4.3.3.1 Managing service promises**

Zeithaml & Bitner (2000:408) name four approaches through which service delivery can be matched up with promises.

The inability to standardise service deliverer's actions in each service delivery requires better co-ordination and management of services promises. Marketing and operation must therefore work closely together to ensure successful services advertising and personnel selling.

The strategies in Figure 4.2 indicated how to manage service promises.

The following approaches need to be applied in order to manage services promises.

- **Create effective services communication**

The special nature of services requires additional strategies to ensure effective services advertising. Zeithaml & Bitner (2000:408-412) highlight some of these strategies which are:

- Present vivid information which create a strong and clear impression on the senses as well as a distinct mental picture;
- Use interactive imagery which assists customers to recall aspects of the company's presence;
- Focus on the tangibles which form part of the service as it provide clues about the nature and quality of the service;

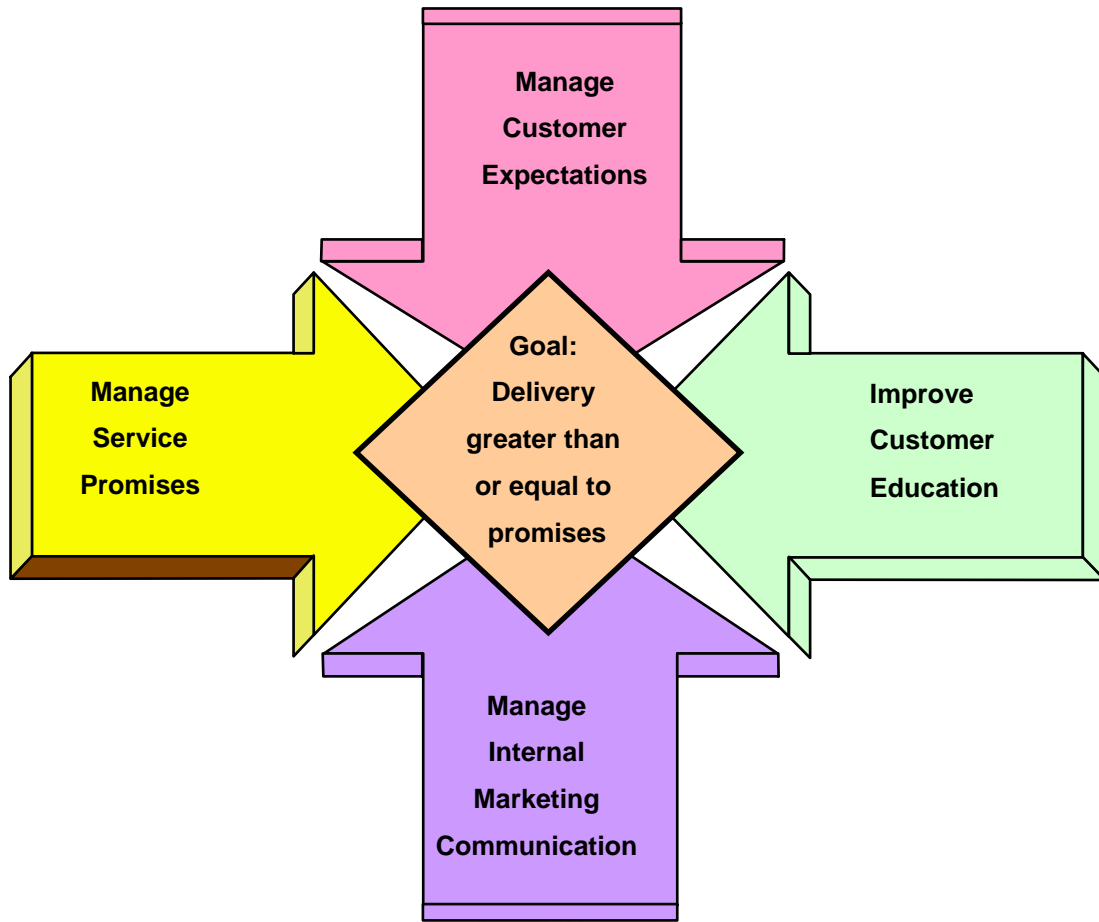


FIGURE 4.2: APPROACHES FOR INTEGRATING SERVICE MARKETING COMMUNICATION (ZEITHAML & BITNER, 2000:408)

UNIVERSITY OF JOHANNESBURG

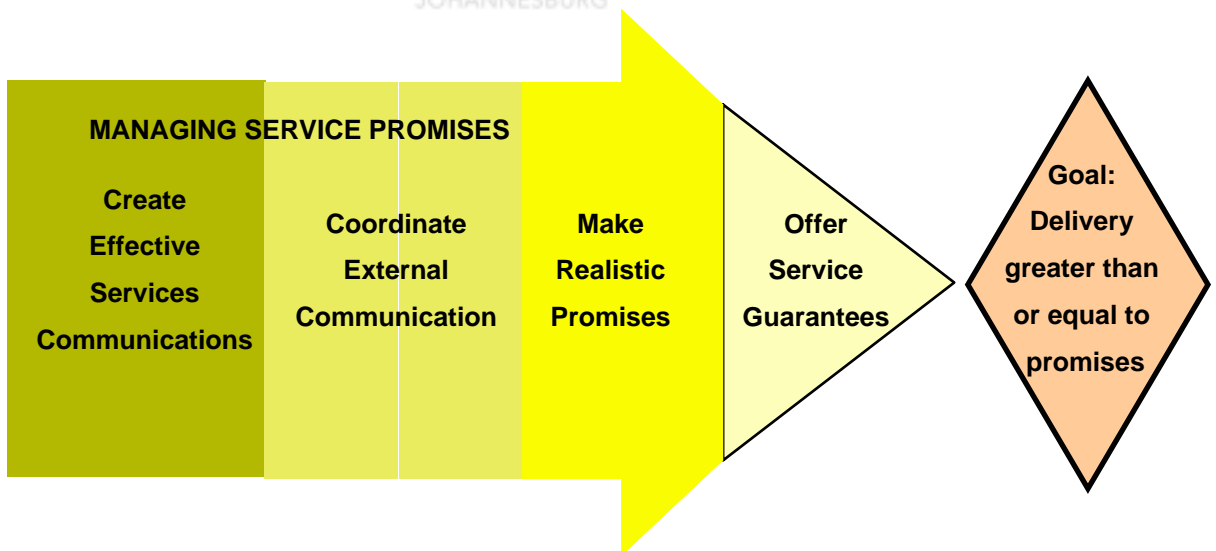


FIGURE 4.3: APPROACHES FOR MANAGING SERVICE PROMISES (ZEITHAML & BITNER, 2000:409)

- Feature service employees in advertising to show employees that they are important and set standards for customers;
  - Promise what is possible;
  - Encourage word of mouth communication through humorous, compelling or unique advertising. Good public relations and sponsorship of events are other alternatives; and
  - Feature satisfied service customers in promotion material.
- **Co-ordinate external communication**

All communication directed at customers must be co-ordinated to ensure that promises made can be kept. Advertising, public relations, personal selling, direct mail, internet, customer services, service encounters and telecommunications must be consistent (Zeithaml & Bitner, 2000:412).

At the heart of the professional service of the firms' operations lies the management of the processes whereby the professionals with the appropriate expertise are matched with client problems in need of a solution. Client needs are typically only discernable through active participation in the interaction, and even then the needs are frequently not fully apparent (Lowendahl, 1997:49).

- **Make realistic promises**

Customers requiring a service to satisfy a specific need approach the service with certain expectations. The higher the expectations, the higher the service delivery standard must be to be perceived as high quality. Realistic promises must therefore be made. This requires that the marketing and sales departments have a clear understanding of the operations department's capabilities. Service promises must therefore accurately reflect what customers will receive in service counters (Zeithaml & Bitner, 2000:412).

- **Offer service guarantees**

Service guarantees are formal promises made to customers about aspects of the service they will receive. The benefits of guarantees will only materialise when customers know that guarantees exist and they are sure

that the company will honour them. The benefits are new customers and retention of existing customers (Zeithaml & Bitner, 2000:412).

#### **4.3.3.2 Managing customer expectations**

Adjustment, substitution and cancellation of services will affect the expectation levels of customers. This shift in customer's expectations requires companies to plan for and manage the change. Four possible strategies are presented:

- **Offer choices**

Adjusting customer's expectations through the offering of choices allows companies to empower customers. Meaningful aspects such as time, cost and outcomes sought can be adjusted in this manner. Customers would, as a result of their choice, know what the outcome of the service will be and as a result their expectations would be re-adjusted. Offering a choice is a good strategy when speed versus quality is of importance (Zeithaml & Bitner, 2000:414).

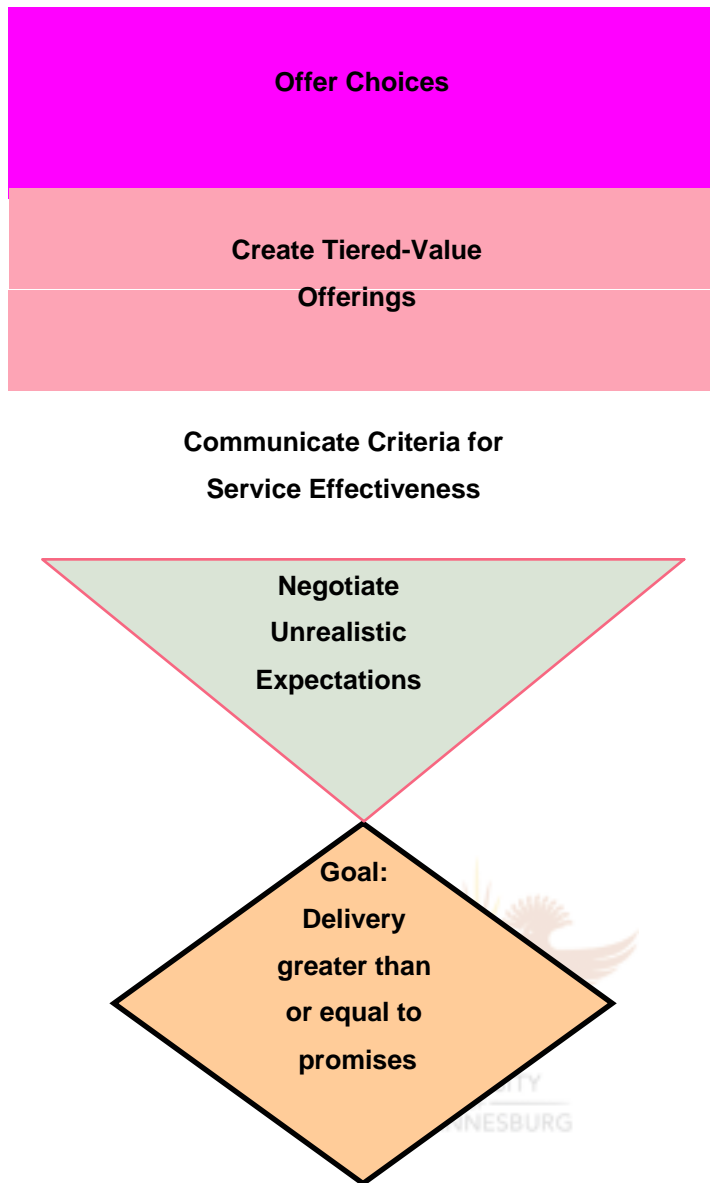
- **Create tiered value service offerings**

Customers' expectations can be managed through the offering of tiered value service offerings. Offerings such as different levels of services, with associated price differences, offer two advantages to companies: (a) the burden of choice the desired service places on the customer, thereby familiarising the customer with specific service expectations; and (b) the identification of customers is made possible which requires higher service levels at higher prices (Zeithaml & Bitner, 2000:415).

Tiered value service offerings enable the setting of expectations for future reference when clients request assistance.

- **Communicate the criteria and levels of service effectively**

Customers seeking a service present an opportunity to the company/ firm to communicate the criteria and levels of service effectiveness at the beginning of the service. The outcome required by the customer enables the company/ firm to educate the customer and to set the criteria by which the service can be evaluated.



**FIGURE 4.4: APPROACHES FOR MANAGING CUSTOMER'S EXPECTATIONS (ZEITHAML & BITNER, 2000:415)**

The manner in which this education process takes place can affect the evaluation process and the customer's expectation (Zeithaml & Bitner, 2000:415).

- **Negotiate unrealistic expectations**

Customers sometimes require unrealistic expectations for a service to be provided. Companies/ firms must negotiate these expectations to suit the service they can provide. These expectations are born due to the desire to maximise money spent on the service. Service providers must therefore learn to present their offerings in terms of value and not on price alone (Zeithaml & Bitner, 2000:416).

### 4.3.3.3 Improvement of customer education

Customers must perform their roles as required to ensure the success of the service. Unattainable expectations will result if customers have forgotten or have anticipated improperly. Customers' education can prevent this from happening. The following types of customers' education approaches can help to match promises with delivery.

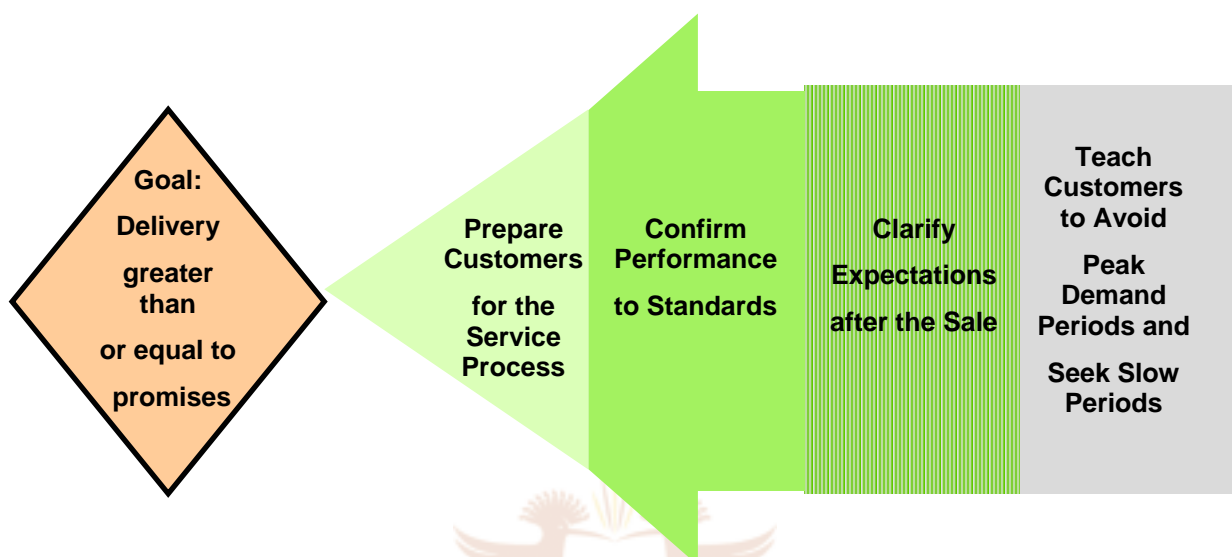


FIGURE 4.5: APPROACHES FOR IMPROVING CUSTOMER'S EDUCATION (ZEITHAML & BITNER, 2000:416)

- **Prepare customers for the service process**

Companies must prepare customers for the service process to ensure that expectations which are formed of the service to be provided are met. Step by step education to first time customers and confirmation of the process to old customers may be required. Customers must know what to do when, where, how and together with whom to achieve the desired outcome of the service. Evaluations during the provision of the service will enable the company/ firm to increase or scale down education as required. Education is extended for inexperienced customers or when a service process is new or unique (Zeithaml & Bitner, 2000:417).

- **Confirm performance to standards and expectations**

Companies sometimes fail to communicate to customers that the stipulated performance standards and expectations have been accomplished. Reasons for this failure can be: (a) customers themselves cannot evaluate



the effectiveness of the service; (b) the service purchaser and the receiver of the service are not the same person; (c) the service is invisible, and (d) the providers depend on others to perform some of the actions to fulfil customers' expectations (Zeithaml & Bitner, 2000:417).

Solutions for the above-mentioned are: (a) companies/ firms must address customers' uncertainties in a clear and understandable manner in order to remove any doubts; (b) service purchasers must be kept informed about performances to standards agreed upon and service users must be contacted frequently to test that expectations are being met; (c) expectations of actions taken to reach performance standards should be communicated to customers to tangibilise the service; and (d) performances of other partners should be communicated to customers to standards and expectations before other companies which fail to do so (Zeithaml & Bitner, 2000:418).

Making customers aware of standards or efforts to improve service which are not readily apparent can improve service quality perceptions.

- **Clarify expectations after the sale**

In the delivery of services it is important to clarify customers' expectations. Marketing must inform firms of customers' requests to ensure that the service presented complies with expected outcomes. It is important at all times to make realistic promises and to clarify what was promised as soon as the service is delivered (Zeithaml & Bitner, 2000:418).

- **Educate customers to avoid peak demand periods and seek low demand periods**

Customers do not enjoy delays in receiving a service they desire. Companies can, through communication, educate customers about peak and low periods. In doing so, the gap between the perceived and expected service received by the customer can be closed. Companies will also be able to optimise their capabilities (Zeithaml & Bitner, 2000:418).

#### **4.3.3.4 Managing internal marketing communication**

Internal marketing communication can be both vertical and horizontal in nature. Vertical communication takes place between management and

employees and can be downwards or upwards. Horizontal communication is between functional departments in the company/ firm.

- **Create effective vertical communication**

Companies which interact with customers must be provided with the required information, tools and skills. Some of these skills are provided through training and human resource efforts, while others are provided through vertical downward and upward communication. Downward communication takes place through the passing down of management decisions by means of mediums such as memo's, e-mail and briefings to employees. Upward communication takes place from employees to management. Employees gain valuable information from customers which can influence service designs. Management must be made aware of this.

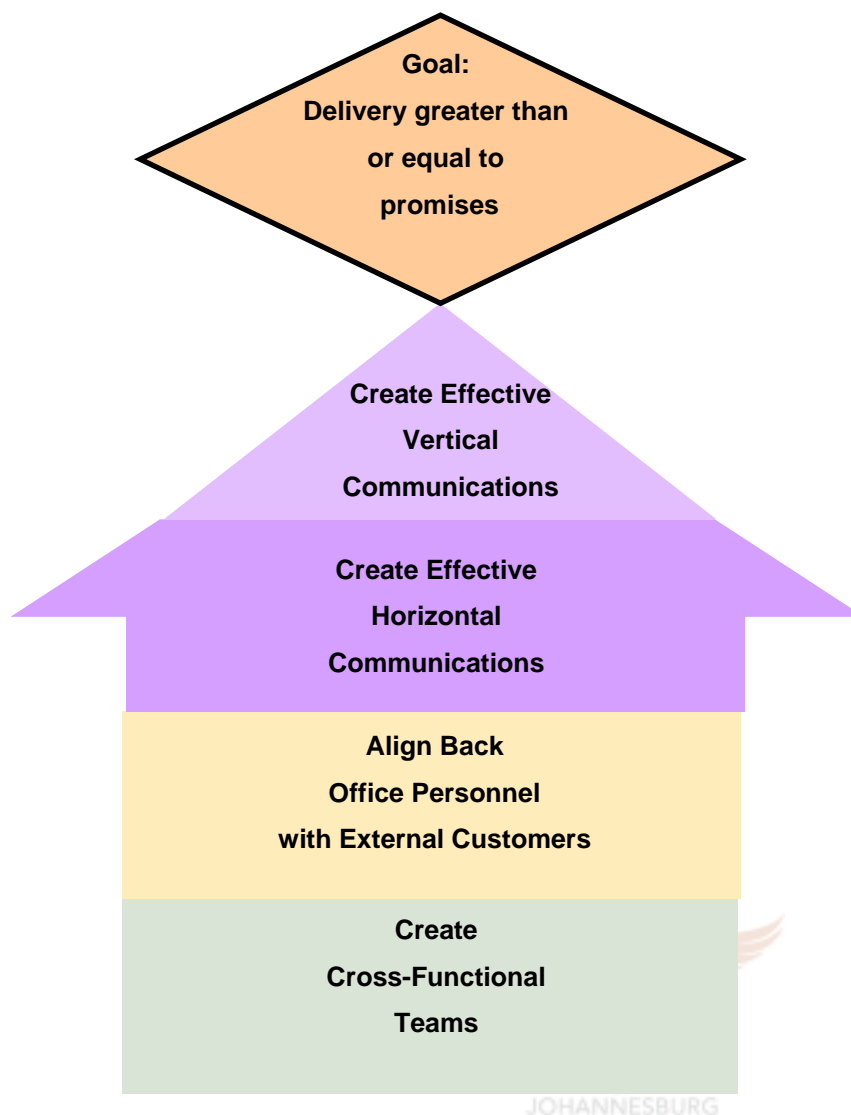
The effective transfer of information is necessary both up and downward in a company to allow employees to familiarise themselves with all interactive marketing and external marketing communication (Zeithaml & Bitner, 2000:419).

- **Create effective horizontal communication**

Horizontal communication takes place between functional departments in an organisation/ firm. This may be difficult but is necessary to ensure a common approach to service delivery to customers. The marketing and operation departments must co-ordinate their actions to make sure that what is marketed can be delivered and vice versa.

Effective horizontal communication can be made possible with open communication channels between departments. This will create a situation where human resources can hire the right people to market and provide the service, and finance can determine a product for the service that will match customers' evaluation of the service. Other strategies include:

- Using employees in marketing material to market the service and to work together;
- Creating formal and informal working situations where operations and marketing work together to develop a service;



**FIGURE 4.6: APPROACHES FOR MANAGING INTERNAL MARKETING COMMUNICATION (ZEITHAML & BITNER, 2000:419)**

- Creating opportunities where operation employees are exposed to customers to experience expectations of customers; and
- In service firms all functions need to be integrated to produce consistent messages and to narrow the service gap (Zeithaml & Bitner, 2000:420).
- **Align back-office and support personnel with external customers through interaction or measurement**

The exposed front line employees obtain, through interaction with clients, experience which provides them with certain advantages over the other employees of the company. These advantages include improved skills, greater knowledge of customers' requirements and satisfaction for meeting

customers' expectations. Effort must be made to close the gap which develops as a result of this lack of interaction. Companies use guarantees, interaction programs and internal measurement techniques to achieve this alignment (Zeithaml & Bitner, 2000:420).

- **Create cross-functional teams**

The establishment of cross-functional teams to align employees' jobs with end customers' requirements is another approach to improve horizontal communication. Employees interact directly with the client in a group or with the team's link (marketing or sales representative) to the client to design a service to meet the customer's requirement. This speeds up delivery of the service and limits miscommunication. All team members also benefit from this approach (Zeithaml & Bitner, 2000:421).

#### **4.3.4 The necessity to exceed customer's expectations.**

Zeithaml & Bitner (2000:422) say that merely meeting customer expectations is not enough; a company must exceed them to retain customers. This slogan holds the potential for over promising. It is necessary that a company should understand what type of expectations can and should be exceeded, what customer group is to be targeted, and the impact exceeding expectation has on future expectations of customers.

Two types of service expectations have been identified:

- **Desired service** – the level the customers hope to receive: Focussing on desired service, perceptions of performance rarely meet customers' expectations and almost always produce a negative gap between expectations and perceptions. When focussing on desired service it therefore appears extremely difficult to exceed expectations.
- **Adequate service** – the minimum acceptable level of service: Delivering adequate service is not only feasible but is also required for a service provider to remain viable. The service provider does not have to exceed his capabilities while meeting the expectations of the customer. Customers whose expectations are met will be satisfied and will re-use the service.

The ability of a service provider to exceed expectations depends on the type of customers' expectations. Surpassing the desired service level on an ongoing

basis may be infeasible, while exceeding the adequate service level is possible, yet unimpressive.

Actively deciding whether all customers' expectations should be exceeded or only those of certain customers requires sound business decision making. Poor relationship, non profitable and difficult customers place unwanted demands on a firm's resources. The selection of those customers whose expectations are to be exceeded is therefore critical.

The ability to consistently exceed customers' expectations is questionable. A customer's delight occurs when he is pleasantly surprised by an unexpected level of service provision. But after the customer is delighted the first time, do his or her expectations rise, thereby making it even more difficult to exceed them in the future? Are higher and higher levels of service required to continue the delight?

No matter how much a company might intend to meet customers' needs, it may be unwillingly or unable to do so at all times. The argument is, however, that a company can aim for delight where and when it is appropriate and possible.

Strategies for bypassing the pitfalls discussed and reaching service goals include:

#### **4.3.4.1 Demonstrating/understanding of customer expectations**

The foundation of all strategies for meeting and exceeding customer expectations is the need to know and communicate back to the customer what his or her expectations are. Just the simple act of trying to understand expectations exceeds them. This act in the short term delights customers. A more basic reason to understand and demonstrate understanding is to grasp what the customer expects; otherwise meeting requirements is random and unfocused. Efforts by the company/ firm can be wasted on service issues that are unimportant to the customer and critical requirements may be overlooked altogether (Zeithaml & Bitner, 2000:423).

The delivery of a consistently higher quality service will enable a service deliverer to retain an advantage. Total quality management can be implemented to achieve this advantage. The key is to exceed customers' expectations. This can be achieved by promising what can be delivered and then doing more than what was promised. If the customers' perceived

service is equal or higher than the expected service, the company will be used again. The aim is to retain customers. Clearly defining and communicating the desired service levels to employees and customers will ensure the retention of customers. A service recovery program will help to address complaints as long as it is implemented with total commitment.

Empowerment of employees to address complaints speedily will contribute to the successful implementation of the program. Adopting a customer's obsessed attitude will ensure the delivery of a superior service. This must be backed up by top management's commitment to quality. The setting of high service level standards will further create the impression that the company is trying harder. Frequent monitoring will ensure that problems or reasons for possible problems are addressed to prevent a re-currence (Kotler & Armstrong, 1996:667).

A serious problem for professionals is that even high-quality service delivery does not automatically lead to customers' satisfaction. Three actions stand out as important in client satisfaction with a service provider. 1) Shaping realistic expectations, or correcting those that are unrealistic. These include timing of completion of the project and dissatisfaction with the billing for service if not discussed during acceptance of the project. 2) Vigorously emphasising communication, not only during service delivery, but also after delivery. Communication is one of the key issues that lead to a satisfied client. 3) Focusing the service to provide successful outcome on the clients' terms. This is an area where professionals have to work hard to understand the clients' perception of a successful undertaking (Gelp, Smith and Gelp 1988:31-32).

The article by Gelp et al. (1988:33) attempts to verify and correct client expectations of the scope, timing, effectiveness and costs of service delivery. Further it attempts to emphasise communication, so that the professional delivers the service the way the client wants it delivered and to skilfully manage all-post-delivery activities and follow-up actions.

Three sets of specific recommendations flow from this list. 1) To seize the opportunity to affect expectations of what will be done, how quickly, how effectively, at what cost, and by what method the client will be billed. The

professional needs to review areas of likely misunderstanding before work begin and actively encourage discussion of them. 2) The second recommendation stems from the emphasis on communication as a pre-eminent determinant of perceived service quality. The best method of improving communication is to set up routines that will foster it. Training in communication skills, including listening, may also be helpful. 3) A third recommendation is to consciously manage all contacts between service organization and client that follow service delivery. These contacts include payment for service, which can be viewed as two more communications opportunities – billing and collection.

#### **4.3.4.2 Leverage the delivery dimensions**

Customers judge four of the service quality dimensions (responsiveness, assurance, empathy and tangibles) primarily during the service delivery process. These four dimensions (process dimensions) together with reliability (outcome dimensions) form the basis by which customers judge service delivery. Reliability is the most important dimension because companies are supposed to provide the service they promise to deliver (Zeithaml & Bitner, 2000:423; Kotler, 1997:478).

Exceeding customers' expectations can not be done by just being reliable. The delivery dimensions are pivotal in exceeding expectations. Interaction with customers during the service delivery process provides the opportunity to exceed expected service expectations (Zeithaml & Bitner, 2000:423; Grönroos, 2000:78).

Customers' expectations are formed by past experiences, word-of-mouth and service firm advertising. The customer chooses providers in terms of these criteria and after receiving the service, compares the expected and perceived service. If the perceived service is less than the expected service the customer loses interest. If the perceived service meets or exceeds the expected service then the customer will use the company again (Kotler, 1997:476).

#### **4.3.4.3 Under promise and over delivery**

Zeithaml & Bitner (2000:424) state that consistently under promising and then over delivery will ensure that customers are delighted frequently. This strategy can be used but two problems must be weighed before using it:

- Frequent customers might pick up on this tendency and adjust their expectations accordingly and therefore nullifying the strategy;
- The competitive appeal of an offering can be reduced in comparison to a competitor's service. A cohesive and honest presentation of the service both explicitly (e.g. through advertising and personal selling) and implicitly (e.g. the appearance of the service facilities and price of the service) may be wiser.

Controlling the firm's promises, making them consistent with the deliverable service, may be a better approach. Customers deserve more than just a good service package. It has to be made into a functioning service process (Grönroos, 2000:163).

In order to understand service management and how to market service, it is important to remember that all models and concepts are based on the fact that the service emerges in a process, in which the customer participates, and that the production of a service in a service production process is not separated from the consumption of the service. From a quality perspective the most critical part of the service is produced at the time when the customer participates, perceives and evaluates the service process (Grönroos, 2000:163-164).

#### **4.3.4.4 Position unusual service as unique and not as the standard**

Meeting customers' expectations on an ongoing basis over time can cause customers to increase their expectations. This increase in customers' expectations in turn places additional strain on the company and can cause companies to re-think their goal of exceeding expectations. One way to avoid this escalation is to position unusual service as unique rather than as standard. Customers can thus still be delighted and allow the company to operate within its capabilities (Zeithaml & Bitner, 2000:425).



In order to understand how quality is perceived in an ongoing relationship, one has to understand how expectations develop throughout the relationship. It is critical to understand that customers may not expect the same aspects of quality at a later stage in the relationship as they do in the beginning, and why this takes place. One has also to know the inherent mechanisms of the dynamics of expectations to be able to manage expectations.

Three types of expectations can be identified:

- Fuzzy expectations exist when customers expect a service provider to solve a problem but do not have a clear understanding of what should be done.
- Explicit expectations are clear in customers' minds in advance of the service processes. These can be realistic or unrealistic expectations.
- Implicit expectations refer to elements of a service which are so obvious to customers that they do not consciously think about them but take them for granted (Grönroos, 2000:89-90).



## CHAPTER 5

### 5 RESEARCH FINDINGS

Note must be taken of the discussion in paragraph 1.7 based on the views of Zikmund (2000), Cooper & Schindler (1998) and Hair et al. (2003) regarding the size of the population/ project team/ role-players used for obtaining information for this study. It is again stressed that the role-players selected, formed part of a project team for two recent property development projects. Two customers, a Town Planner (acting in one project as a formal project leader) and eight other professionals were requested to complete the questionnaires.

Tables in the appendices represent the integrated questionnaire and responses of the different role-players. In some tables respondents gave additional information which is given as foot notes at the end of the relevant tables. Where “text” occurs in the tables the respondents gave information which could not be tabled. These remarks, given cryptically at the bottom of each table, are incorporated in the discussion in applicable paragraphs.

#### 5.1 FOUR IMPORTANT REQUIREMENTS IN UNDERTAKING PROPERTY DEVELOPMENT PROJECTS

##### 5.1.1 The importance of drafting a well-documented project proposal and the selection of a competent team for property development projects

###### 5.1.1.1 Responses of customers

Table 5.1.1 (Appendix 1) indicates the responses of customers on project management.

An analysis of the responses from the two customers who were involved in recent projects shows that both regarded a well-defined project proposal essential. In practice this document consists of a quotation (Q 1.1). Customer 1 found it useful to appoint a project leader who is in practice the Town Planner, and who had to function in close collaboration with the customer (remark 1.4). Customer 2 preferred to act as the project leader himself (Q 1.2, 1.3, 1.4).

The service providers were selected on account of their practical experience and qualifications (Q 1.5). The customers became aware of the service providers through word of mouth information from people linked to this type of

business (Q 1.6). They found it beneficial to use the service providers because they were not aware of all the steps of the process as well as the inputs required for the project (Q 1.7, 1.8).

#### **5.1.1.2 Responses of service providers**

Table 5.1.2 (Appendix 2) indicates the response of the professional service providers on project management.

All the respondents indicated that their services were requested through word of mouth referral. The selected Estate Agent was contacted by the customer because of advertising and presence in the area. The Architect was initially referred to the customer by the Town Planner (Q 1.1).

All the service providers indicated that they received information on what was expected from them by the customers (Q 1.2). Only the Estate Agent and Civil Engineer indicated that they are normally satisfied with the exactness of the instructions that they receive for their role in the property development project (Q 1.3). Service delivery requests by the service providers were received from the customers, project leader or other professional service providers involved in this specific property development project (Q 1.5). The customers/ project leaders normally call for a meeting and the requirements and expectation are tabled (Q 1.4).

From the information obtained it appears that all the service providers reported back to the customer and project leader. Of all the service providers only the Estate Agent and Civil Engineer did not report back to other service providers (Q 1.6).

#### **5.1.1.3 Summary**

The customers differed with regard to the benefits to appoint a project leader. One of the customers appointed the Town Planner as project leader. The customers made contact with the service providers through word of mouth recommendations from people who are in the property development business. The skills and capabilities of the service providers became known through word of mouth recommendations, past experience and trustworthiness and made them certain candidates to be appointed as team members in the property development projects. The customers found it

beneficial to use a project team because they were not initially aware of the complexity of the property development process.

The customers preferred a well-documented project proposal which normally takes the form of a quotation prepared by the relevant service provider(s) indicating the services to be delivered as well as the fee for the service delivery.

The service providers confirmed that their services were requested by the customers on account of word of mouth referrals. The service providers acknowledged that they had received information on the project, but differed with regard to the exactness of the information which they received to meet the required outcomes for the recent property development projects in accordance with the expectations of the customers.

## **5.1.2 The important role of service marketing in the selling of services to customers of property development projects**

### **5.1.2.1 Responses of customers**

Table 5.1.1 (Appendix 1) contains the responses of customers on the role of service marketing.

Neither customer found it necessary to market their intention of property developments in order to catch the attention of service providers. They normally contact the service providers of their choice (Q 1.9). The customers were satisfied that the information received on the trustworthiness of the service providers was correct (Q 1.10).

### **5.1.2.2 Responses of service providers**

Table 5.1.2 (Appendix 2) contains the responses of service providers on the role of service marketing.

Only the Estate Agent and Civil and Structural Engineers actively seek new potential customers by marketing their services. The Landscape Architect's external marketing is not aimed at attracting new clients (Q 1.7). The other service providers do not constructively market their services. Retaining existing clients and winning new clients seem to be done through promoting professional skills, quality service performance and mouth to mouth referrals (Q 1.8).

The Civil and Structural Engineers, Conveyancing Attorney and Architect attempt to make service delivery promises. All the other service providers concentrate their marketing efforts on promoting their firms' special skills while taking into account the constraints of professional norm and conduct (Q. 1.9).

It is clear that all service providers informed the customers and other service providers of their service capabilities and that these evoked trust in their service delivery (Q 1.10, 1.11).

### **5.1.2.3 Summary**

Customers did not actively market their intention of property developments. They preferred to select the service providers by choice on account of their trustworthiness.

Since most of the professional service providers belong to professions, they are bound by certain constraints, norms and conducts. Therefore not all the service providers embark on a vigorous marketing campaign. Retaining existing clients and winning new clients seem to be done through promoting professional skills, quality service performance and word of mouth referrals.

### **5.1.3 The necessity of building relationships among the role-players in property development projects**

#### **5.1.3.1 Responses of customers**

Table 5.1.1 (Appendix 1) contains the responses of customers on building relationships.

The customers mainly dealt with the Town Planner and communicated only with the other service providers when necessary. Through the Town Planner a good relationship developed with the project team. It was based on trust, commitment, care and timeous service delivery (Q 1.11, 1.13). The relationship with the various service providers was good but took place on an ad hoc basis except for the Estate Agent and the Architect. These relationships could be described as loose relationships (Q1.12).

#### **5.1.3.2 Responses of service providers**

Table 5.1.2 (Appendix 2) contains the responses of service providers on building relationships.

The Architect was recommended to the customers by the Town Planner and due to his reputation, his fee and service delivery capabilities, a relationship developed with the customers (Q 1.1).

All the service providers indicated that they participated in either a loose or an ad hoc or an informal alliance/ partnership with other service providers in a property development project. None of the service providers had entered into a structured relationship with other service providers (Q 1.12).

All the service providers were of the opinion that the elements trust, commitment and care are essential in keeping customers happy. Due to the complexity of the process and the different role-players outside the project team, e.g. Local, Provincial and National Departments, none of the service providers could guarantee a timeous service delivery except for the Conveyancing Attorney (Q 1.13).

### **5.1.3.3 Summary**

The customers agreed that they did not have a structured relationship with the service providers but rather had ad hoc relationships which functioned satisfactorily. The relationships were built on common trust, commitment towards promises made and care of the interests of the customers. Timeous service delivery was also ranked high.

Only in the case of the Architect and the Town Planner a sort of continuous relationship existed. All the other service providers regarded their relationship as loose relationships which were build on trustworthiness, commitment and care towards the interests of the customers. Service providers were, however, reluctant to guarantee outcomes because of uncertainties regarding service delivery by Local, Provincial and National Departments.

## **5.1.4 The importance of delivering quality services to customers of property development projects**

### **5.1.4.1 Responses of customers**

The responses of customers to questions pertaining to quality of services are tabled in Table 5.6.1 (Appendix 1).

As expected, on account of the previous responses of the customers, both agreed that they were satisfied with the services delivered in recent property

development projects (Q 6.1, 6.3). On account of their performance the customers would consider appointing the same team of service providers for future projects (Q 6.2).

The customers both agreed that the service providers demonstrated: professionalism and skills; accessibility and flexibility; reliability and trustworthiness; service recovery ability; confirmation of their reputation and credibility (Q 6.4). Perceived quality of service delivery depends upon the satisfactory completion of the service by the firm, meeting and also exceeding customers' expectations (Q 6.5).

All the criteria indicated in question 6.6 are considered important for good perceived service quality for a property development project (knowledge and skills, empathy, infrastructure, reliability and trustworthiness, consistent communication, reputation and credibility).

#### **5.1.4.2 Responses of service providers**

The responses of service providers on the questions pertaining to the perception of quality of services by the customers are tabled in Table 5.6.2 (Appendix 2).

All the service providers were in agreement that the perceived quality of service delivery was based on the satisfactory completion of the service, meeting and exceeding customers' expectations. Only the Conveyancing Attorney disagreed on the last element (Q 6.1). Criteria which can be considered important for good perceived quality service for a property development project are: knowledge and skills, empathy, infrastructure, reliability and trustworthiness, consistent communication, reputation and credibility (Q 6.2).

#### **5.1.4.3 Summary**

The perceived quality of services that are delivered depends on the customers' perception and not on that of the service providers. A customer-orientated service which allows the customer to favourably compare his experience with his expectations will result in a quality service being delivered.

Knowledge, skills, empathy, infrastructure, reliability, trustworthiness, consistent communication, reputation and credibility are critical elements in which service providers must excel to ensure that their service delivery is perceived as quality service.

## **5.2 FOUR RECOMMENDED STEPS TO CLOSE GAP 4 OF THE GAPS MODEL OF SERVICE QUALITY**

### **5.2.1 The need for co-ordination in marketing communication**

#### **5.2.1.1 Responses of customers**

The responses of customers to the need for co-ordination in marketing communication are tabled in Table 5.2.1 (Appendix 1).

Communication among the team members normally took place by means of telephone conversations, faxes and meetings on site or in offices (Q 2.1). The customers were satisfied that the service providers communicated frequently enough so that they were well informed on the progress of the project (Q.2.2).

The customers confirmed that they had communicated their expectations for the projects to the project leader/ service providers and that the service providers had understood the expectations (Q 2.3, 2.4). Service providers selected for the property development projects lived up to the expectation of trustworthiness based on honesty and reliability (Q 2.5, 2.6 and remark 2.6).

The project leader, by means of the quotation, informed both customers of the complexity and different processes involved regarding the property development projects (Q 2.7 and remark 2.7).

Interpersonal trust, development of mutual expectations, sharing of meaning and the shaping of realistic expectations all contributed to enhancing effective communication (Q 2.8).

The customers were of the opinion that the successful completion of the projects could be ascribed to effective integrated communication between all the service providers (Q 2.9). It was therefore possible to co-ordinate the service delivery of project service providers in a cross-functional team (Q 2.10).



### 5.2.1.2 Responses of service providers

The service providers (Table 5.2.2, Appendix 2) were of the opinion that communication played an important role in the provision of their service to the customers and responded positively to the question of managing effective communication in the process of service delivery (Q 2.1, 2.5).

The service providers indicated that they normally communicate with the other service providers as and when required depending on the type of project and the progress or stage of the project's development. They also communicated with the customers when information assistance was required as well as to provide updates when required (Q 2.2). Communication media used by both the service providers and the customers to communicate included meetings, telephone calls, faxes and e-mails. The Estate Agent added that brochures, advertising and sign boards were also used (Q 2.3). Trust was partially built on the fact that all service providers were willing to inform other relevant service providers of any delays in their service delivery process (Q 2.4).

All the service providers confirmed that they were aware of the procedural processes, submission requirements and time frames in dealing with Local Authorities, Provincial and Government Departments (Q 2.6). This information was in turn provided to the customers so that they became familiar with the process and the environment in which the service delivery of the service providers would take place (Q 2.7). This education of customers primarily took place by means of the provision of a company profile and the quotation provided to the customer explaining what would be done for what fee. Follow-up meetings were held to solve any problems that were encountered (Q 2.8). Co-ordinated marketing communication with customers, except for the Geotechnical Engineer, is regarded as essential for building sound relationships (Q 2.9).

To achieve this co-ordination it is important that the expectations of the customers be communicated among the employees of the professional service providers. The Geotechnical Engineer did not agree with the statement of the other service providers (Q 2.10). Co-ordination was achieved by the provision of horizontal and vertical communication channels

(Q 2.11). To ensure that effective communication took place management and support personnel had to receive training in communication skills. The Geotechnical Engineer did not find it necessary (Q 2.12, 2.13).

The service providers indicated that they provided communication channels through which their support personnel could communicate with the service providers as well as with the customers (Q 2.14, 2.15). These channels allowed the exposure of the support personnel to the environment outside the firm. The Architect's support personnel had no channel to the customer because the design of the dwellings is a personal choice that had to be discussed with the customers by the Architect and not his support personnel (Q 2.16).

An analysis of question 2.17 shows that the service providers were of the opinion that interpersonal trust, development of mutual expectations, sharing of meaning and shaping of realistic expectations were in some way or another important for the enhancement of effective communication. In conjunction with these elements the following skills are necessary for good communication: keeping messages simple, don't give too much but gave accurate information (Q 2.18).

All the service providers indicated that they frequently follow up their applications/ processes to ensure that they can communicate the current status of their service delivery to the customers and other service providers (Q 2.19).

### **5.2.1.3 Summary**

Effective and well-managed communication by means of telephone conversations, faxes and meetings between the customers and service providers and *vice versa* seemed to be a critical issue among the majority of the project team members in order to meet the expectations of the customers.

The customers were satisfied with the way in which progress with the project was communicated to them as well as to the other service providers. Communication with regard to unforeseen delays was appreciated by all concerned.

The customers were briefed on the complexity of the process involved in getting approval for property development projects. The customers

communicated their expectations for the project with the project leader, and the project leader in turn communicated it to the other service providers. The customers assumed that all role-players understood what was expected of them and the customers were in turn educated by the service providers regarding what could be done within certain time frames.

All the service providers were in agreement that co-ordinated and integrated marketing communication was essential for quality service delivery. Trust, sharing of meaning and shaping of realistic expectations are crucial elements of co-ordinated marketing communication. Horizontal communication between service providers and vertical communication within firms must be managed. To communicate successfully, training of management as well as of personnel of service providing firms, is necessary to promote marketing communication skills.

Customers were satisfied with performance of the service providers because they fulfilled the expectations of the customers regarding their trustworthiness, honesty and reliability. Customers felt that effective integrated communication was also achieved through frequent follow-up communications regarding progress and/ or problems encountered.

## **5.2.2 Key reasons for service communication problems**

### **5.2.2.1 Responses of customers**

Table 5.3.1 (Appendix 1) indicates the key reasons for service communication problems from the customers' viewpoint. Regarding inadequate management of service promises, the customers indicated that service promises had to be managed on realistic levels (Q 3.1). In contrast to the findings in paragraph 5.2.1.1, the most serious communication problem experienced was not being informed frequently enough about the progress on the project (Q 3.2). The customers indicated, however, that the project leader/ service providers informed them about unexpected delays (Q 3.3). The customers immediately contacted the service providers to discuss any problems that could have developed (Q 3.4). Where possible the customers did participate in solving the indicated problems (Q 3.5). Critical management issues regarding service promises as confirmed by the customers are: commitment from sales personnel, expectations created by service providers and the accurate

distribution of information among service providers concerning promises made (Q 3.6).

Inadequate management of customers' expectations must be prevented by ensuring that the following aspects receive the necessary attention: Time from application to sub-division must be kept as short as possible; obtaining consent from rate payers; avoiding tribunal hearings as far as possible; attention to environmental impact and aesthetic awareness (Q 3.7).

Customers indicated that they would contact the service provider and demand action in the event of over promising or not complying with time schedules (Q 3.8). Customers regarded marketing, which does not reflect accurately what was promised and what can be delivered as well as raising expectations to unrealistic levels, as serious problems (Q 3.9).

On the issue of inadequate customer education the customers indicated that they were provided with a quotation describing the process that had to be followed and as such were educated by the service providers (Q 3.10, 3.11). It was also indicated that an opportunity was given to them to participate in the planning and the management of the processes to be followed for the project (Q 3.12).

The customers confirmed that they had received background information in order to develop a better understanding of the processes of service delivery (Q 3.13). They agreed that inadequate internal marketing communication might cause poor quality services (Q 3.14). It was also found that service promises matched delivery capabilities of service providers (Q 3.15).

#### **5.2.2.2 Responses of service providers**

Table 5.3.2 (Appendix 2) indicates the responses of the service providers on the key reasons for service communication problems.

The service providers indicated that service promises made to customers had to be managed at realistic levels (Q 3.1).

The most frequent problems mentioned by the following service providers included:

Estate Agent: If instructions are not confirmed in writing, misunderstandings could occur;

Town Planner: As project leader tight control must be exercised to enable compliance with customer expectations. Difficulties experienced at Local, Provincial and National Government Departments which fall outside of the direct control of the project team prevent occasionally timeous completion of applications. Over promising in some instances by other service providers without informing the project leader of delays is also a problem.

Land Surveyor: Attention to detail e.g. incomplete and erroneous documentation;

Conveyancing Attorney: Poor customer education.

Civil and Structural Engineers: No serious problems.

Electrical Engineer: No serious problems.

Geotechnical Engineer: Insufficient information (site drawings, survey data, site locality).

Architect: No serious problems.

Landscape Architect: Insufficient explanation during the brief – requirements/ expectations and changes in development proposal as thoughts progress without communicating the changes to all parties affected (Q 3.2).

To address the above-mentioned communication problems the service providers tried to educate the customers at the onset of the service delivery process, or contacted the customers by telephone calls, faxes or e-mail when necessary (Q 3.3).

Critical aspects that had to be managed included commitment of sales personnel, management of customer expectations created through promises and the accurate distribution of information among employees of the professional firms concerning the promises made (Q 3.4).

Regarding inadequate management of customer expectations, the service providers indicated that they do not over promise as a rule and in the event that they are not able to comply with time schedules estimates, they notify concerned service providers and the customers (Q 3.5). The service providers considered the evaluation of their service delivered to customers seriously (Q 3.6). Marketing had to accurately reflect what could be delivered and not raise expectations to unrealistic levels. The assessment by

customers of services delivered, received mix responses from the service providers (Q 3.7).

As a result of inadequate customer education, the service providers were of the opinion that customers did not fully understand the complexity of services and processes which are needed to fulfil their expectations (Q 3.8). The service providers, with the exception of the Geotechnical Engineer, were of the opinion that it was necessary to educate customers on the type of service that they could provide, and to educate the customers on how to co-operate in determining the outcome of the service delivery process (Q 3.9, 3.10).

All the service providers, except for the Geotechnical Engineer, indicated that inadequate internal marketing communication might result in poor quality of service delivery (Q 3.11).

### **5.2.2.3 Summary**

- Inadequate management of service promises

The customers as well as the service providers indicated that they regarded the management of service promises to a realistic level as a crucial element in the successful accomplishment of a recent property development project. Aspects which had to be addressed were: commitment by sales personnel, management of promises made and accurate information. A high priority was placed on the flow of information between all participants on projects.

The customers complained that they would like to receive more frequent information on the progress of the project. They reported, however, that they were informed of problems which occurred and that they, after consultation, were involved in solving the problems together with the relevant service provider.

- Inadequate management of customers' expectations

Proper communication between customers and service providers is of paramount importance in order to make sure that promises made by sales personnel are properly managed and realistic. Inaccurate and insufficient information communicated within and between services providers normally result in inflated customers' expectations.

Attention must be given to time frames, problem solving, preventing tribunals etc. Unrealistic and over promising may lead to unsatisfied customers. Service providers agreed that the customers had to be informed of any problems which might occur in order to solve the problems in collaboration with the customers.

- Inadequate customer education

New customers were not always fully informed about the process of application for a property development project. Educating customers with regard to the complexity of the application process was necessary. The quotation which the service providers compiled had to have enough information to serve as an informative document with regard to the process that had to be followed.

- Inadequate internal marketing communication

Customers, as well as the service providers, agreed that poor internal marketing communication could contribute to poor quality service delivery. All the customers agreed that they had received background information regarding the process in order to understand the process. Both customers said that in the particular projects service promises accurately reflected the capabilities of the service providers.

### **5.2.3 Different categories of strategies to match service promises with delivery**

#### **5.2.3.1 Responses of customers**

Table 5.4.1 (Appendix 1) indicates the responses of customers to the different strategies which the literature (Chapter 4) suggests for managing service promises with delivery. The customers confirmed that the promises made by the service providers were realistic because after five years in business they knew what to expect (Q 4.1, 4.2, remark 4.2). The customers were of the opinion that managing service promises, customer expectations, improving customer education and managing internal marketing communication would contribute to acceptable service delivery by the service providers (Q 4.3). In order to manage service promises, attention had been given to effective service communication, co-ordination of external communication and creating realistic promises (Q 4.4).

In order to manage customers' expectations, the service providers reacted positive to the question if they were informed about the complexity of the application process for a property development project (Q 4.5). The service providers also negotiated criteria and levels of service effectiveness with the customers. As a result, customers had to adjust their expectations in the light of the complex process required for property development projects (Q 4.6, 4.7). Customers indicated that they were involved in the flow of information which was needed in the cross functional team to finalise the project (Q 4.8). The customers further indicated that they were involved in actions to overcome problems that caused delays (Q 4.9). The combined efforts resulted in acceptable levels of service delivery (Q 4.10).

The customers confirmed that by clarifying expectations after the sale, confirming performance to standards agreed upon and the better preparation of the customer for the service process, helped to improve customer education in a property development project (4.11).

The customers indicated that the management of internal marketing communication is important for a property development project. It is necessary that the support personnel within the service providers' firms be informed of the customers' requirements of the service to be delivered (Q 4.12). Communication further plays an important role in the provision of services by the service providers (Q 4.13).

Vertical and horizontal communication was observed in the different firms which formed the project team as well as between the different service providers (Q 4.14).

### **5.2.3.2 Responses of service providers**

Table 5.4.2 (Appendix 2) indicates the responses by service providers regarding categories of strategies to match service promises with delivery.

The service providers were in agreement that management of service promises, management of customer expectations, improvement of customers' education and managing internal marketing communication were necessary elements of a strategy to match service promises with delivery (Q 4.1). To help with the management of service promises in a property development project, the creation of effective service communication, co-ordination of



external communication and making of realistic promises played a vital role (Q 4.2). Services promises must reflect what can be delivered (Q 4.3). No service guarantees could be given due to the problems which might be experienced at the Local, Provincial, National Departments and others referred to in paragraph 2.2 (Q 4.4). Only the Estate Agent, and Civil and Structural Engineers provided choices to customers concerning time, cost and outcomes (Q 4.5). The offering of tiered value services was not possible due to the prescriptive processes and standards that had to be adhered to (Q 4.6).

Some of the service providers indicated that they managed customer expectations by negotiating criteria and levels of service effectiveness (Q 4.7). Unrealistic customer expectations had also been negotiated down to realistic levels. Some service providers reacted negatively on this question (Q 4.8).

Service providers indicated that they normally use the following approaches to improve customer education: avoid peak demand periods, clarify expectations after the sale, confirm performance to standards and prepare customers for the service process (Q 4.9).

The management of internal marketing communication was improved through the utilisation of vertical and horizontal communication channels within the professional firms and between them (Q 4.10). The service providers confirmed that their support personnel were familiarised with the customers' requirements of the service to be delivered and that they had the ability to create cross-functional teams to meet customers' requirements in a property development project (Q 4.11, 4.12).

### **5.2.3.3 Summary**

- Managing Service promises

After years in the business of property development the customers were convinced that the promises made by the team of service providers to deliver service were realistic. They attribute this statement to the fact that their expectations had been well managed through information (customer education) given to them by the service providers as well as effective internal marketing communication and proper co-ordination of external

communication. Service providers were in turn aware of the fact that promises made to customers had to be delivered. Guarantees for timeous delivery was not possible due to all sorts of external problems already referred to in previous paragraphs.

- Managing customers' expectations

Customers confirmed that they were involved in exchanging ideas on information needed for the successful handling of the applications for recent property development projects. The majority of the service providers did not offer any choices regarding cost and outcomes to the customers since the process had to be conducted in a particular sequence with fixed prescribed costs. Likewise, the service providers were not willing to give tiered value offerings to the customers. On the other hand, customers as well as service providers said that they had negotiated certain criteria and levels of service effectiveness in order to manage the expected outcomes of the projects. As a result of the negotiations some of the expectations of customers had to be adjusted or scaled down because some of the expectations were unrealistic.

- Improvement of customers' education

Customers were well prepared for the complex process which had to be followed for the recent property development projects. On accepting the project, the service providers clarified the expectations of the customers and confirmed the performance to standard. The service providers also advised the customers to be patient and not to expect quick delivery during peak demand periods.

- Managing internal marketing

Customers regarded internal marketing communication within the ranks of the service providers very important. It is necessary that support personnel within the service providers' firms who deal with the customers' projects, are also informed about the expectations of the customers. This means that vertical communication channels between management and employees within the firm must be well managed. Horizontal communication between different firms involved in the projects was also very important in order to meet the expectations of the customers.

Creation of cross functional teams in handling the applications for property development projects is necessary to speed up delivery and realize the expectations of the customers.

## **5.2.4 The necessity to exceed customer's expectations**

### **5.2.4.1 Responses of customers**

Table 5.5.1 (Appendix 1) indicates the responses of customers to the question of exceeding customer expectations.

Both customers agreed that they felt comfortable with consistent service promises and delivery of services which consistently matched their expectations (Q 5.1). The customers acknowledged that achieving the desired service was not always possible and that adequate service is therefore a more realistic expectation (Q 5.2). During a recent property development project both customers experienced that the service providers tried to exceed their expectations (Q 5.3).

From question 5.4 it is clear that service providers, during a recent property development project, were expected to understand the customers' expectations and try to exceed the expectations. The customers said that open communication channels, empowerment of support personnel and regular monitoring of the progress to ensure that focus on their expectations are retained, were very important (Q 5.5). Shaping realistic expectations, correcting unrealistic expectations, vigorously emphasising communication and focusing on the successful delivery of the service were strategies which customers would welcome from service providers in order to avoid dissatisfaction with the service delivery (Q 5.6).

By being reliable, responsive to discussions, assurance that decisions were carried out and showing empathy towards the customer were factors taken into account when judging the performance of the service providers (Q 5.7). The customers indicated that service providers had to comply with the minimum expectations and had to consistently attempt to deliver a higher quality service in order to fulfil the expectations of the customers (Q 5.8). Experience of matching expectations of the customers during the recent property development project satisfied them to the extent that both of them

would use the same team of service providers again for future projects (Q 5.9).

Over promising and under promising of services to customers appeared not to have taken place (Q 5.10, 5.11). The customers were of the opinion that controlling promises and matching them with the ability to deliver the promised service, was a better strategy than under promising and over delivery (Q 5.12).

The service providers appeared to have met the expectations of the customers and as such customer 1 was not required to position his services as unusual as the standard was better than what the competition provided (Q 5.13). Customer 2 remarked that time management was regarded as unusual (Q 5.14). The customers further confirmed that normal and unusual expectation had to be viewed separately as this would enable the service providers to distinguish their service from those of their competitors (Q 5.15).

#### **5.2.4.2 Responses of the service providers**

The responses of the service providers regarding exceeding expectations are presented in table 5.5.2 (Appendix 2).

The service providers chose as their strategy for matching customers' expectations consistent service promises and consistent matching expectations with delivery (Q 5.1). Trying to provide the desired service to the customers had the greatest chance of not being successful (Q 5.2). They agreed that during the recent property development projects they were successful in matching the customers' expectations (Q 5.3).

The service providers indicated that it was necessary to fully understand what the expectations of customers were for a property development project (Q 5.4). Shaping realistic expectations, correcting unrealistic expectations, vigorously emphasising communication and focusing on the successful delivery of the service were strategies used by service providers to leverage their services (Q 5.5). Most of the service providers indicated that they did not select specific customers to impress with exceptional service delivery (Q 5.6).

With the exception of the Estate Agent and the Landscape Architect, all the other service providers said that they were comfortable if the customer judged

them on their reliability, empathy with the customer, being responsive after discussions with the customer, and assuring the customer that his expectations would be met (Q 5.7). The strategy of most of the service providers was, trying to deliver a higher quality service than what was expected although some of them indicated that they would deliver services equal to the minimum requirements of the customers (Q 5.8).

The majority of the service providers underlined the following strategies in connection with the expectations of customers for recent property development projects: shaping realistic expectations, correcting those that are unrealistic, promoting communication with customers and focusing on the successful completion of the project on the terms of the customer (Q 5.9).

All the service providers confirmed that they never attempted to under promise and then compensate with exceptional service (Q 5.10). In addition the service providers indicated that service promises had to match delivery capabilities rather than under promise and compensate with over delivery (Q 5.11).

Positioning unusual service as unique and not the standard appeared to be favoured in order for the service providers to differentiate them from their competitors (Q 5.12).

#### **5.2.4.3 Summary**

Making acceptable service promises and then be consistent in the service delivery was ranked highly by customers as well as service providers. Customers valued the fact that service providers tried to provide at least the desired service expectations but also tried to exceed their expectations.

- Demonstrating/ Understanding of customers' expectations

It is important that service providers understand clearly the service expectations of customers. This can be attained by open communication channels, the empowerment of support personnel which have contact with the customers and regular monitoring of progress in order to meet their expectations.

Shaping realistic expectations, trying to correct unrealistic expectations by means of proper communication and then focusing on service delivery to match customers' expectations are necessary.

- Leverage the delivery dimensions

Being reliable, responsive to discussions with customers, assuring that decisions are carried out and showing empathy towards customers are attributes which customers ranked highly. Service providers indicated that customers may judge their service delivery by means of these criteria. Delivering quality of services superior to what is expected is a useful strategy to leverage delivery expectations. On account of the customers' experience in recent property development projects where expectations were exceeded, relationships with the service providers were extended.

- Under Promise and Over delivery

Under promising and over delivering did not occur in the recent property development projects. Controlling/ managing promises and matching the delivery of services are strategic ways which will avoid conflict.

- Position unusual services as unique and not as standard

During the recent property development project only customer 2 reported a minor unusual service. Service providers felt that normal and unusual expectations had to be viewed separately in order to distinguish between their services and that of other competitors.

## CHAPTER 6

### 6 CONCLUSIONS AND RECOMMENDATIONS

#### 6.1 INTRODUCTION

In order to fully understand the complexity of the processes involved in property development, it was necessary to deal with the following four requirements for property development projects, namely:

- The importance of drafting a project proposal and selecting a competent project team;
- The important role of service marketing in the selling of services to customers of property development projects;
- The necessity of building relationships among the role-players in property development projects; and
- The importance of delivering quality services to customers of property development projects.

In Chapter 1 paragraph 1.5, it was stated that the lack of effective communication between the role-players can result in serious problems during a typical property development project. Not only can it lead to the waste of precious time to complete the project, but it can also cause serious financial losses for the customer.

Inadequate management of promises reflects a break-down in co-ordination between employees responsible for delivering the service and employees in charge of describing and/ or promoting the service to the customer (Zeithaml & Bitner, 2003:398).

In order to identify the consequences of ineffective communication among all role-players and how these problems can be prevented, the following problem statement was formulated:

***Can integrated service communication close the service gap between the expected and perceived service delivery levels to customers in a typical property development project?***

The Gaps Model of Service Quality as developed by Zeithaml & Bitner (2000:26) was used to indicate how the gap between the expected and perceived service levels can develop as a result of poor external communications to customers. By not matching performance to promises (Gap 4) the customer gap can be extended.

Zeithaml & Bitner (2000:402-425) give four aspects which deal with integrated service marketing communications as a means to close Gap 4, namely:

- The need for co-ordination in marketing communication;
- Key reasons for service communication problems;
- Different categories of strategies to match service promises with delivery; and
- The necessity to exceed customer's expectations.

The Integrated Services Marketing Communications Model served as a pathway to investigate the theoretical aspects concerned (Zeithaml & Bitner, 2000:16 & 403). This model revolves around making, enabling and keeping promises to customers. Marketing of promises through integrated communication is essential to succeed in fulfilling the expectations of customers.

## **6.2 FOUR IMPORTANT REQUIREMENTS IN UNDERTAKING PROPERTY DEVELOPMENT PROJECTS**

### **6.2.1 The importance of drafting a well-documented project proposal and the selection of a competent project team for property development projects**

In Chapter 4, Meredith & Mantel (2000:9) define a project as a specific, finite task to be accomplished. Planning the project must be done in order to identify the goal, select the most appropriate strategy and break the strategy down into smaller steps (Lake, 1999:26-30). Meredith & Mantel (2000:9) suggest that a well-defined project proposal be compiled in which the requirements of the customer in terms of quality, performance and cost be communicated with the service providers. In Chapter 5.1.3.1, it was noticed that the customers prefer some sort of a document which normally takes the form of a quotation indicating the services to be delivered as well as the fees for the service delivery. Some of the service providers complained about the exactness of the requirements/ expectations of the customers with regard to the service required.



The knowledge to accomplish the outcome of a property development project does not reside in one person but has to be conducted by a project team. This calls for a high co-ordination and co-operation between the team members (Meredith & Mantel, 2000:2-5). The customers and the service providers state during the consultation, that communication between all the team members is of vital importance for the successful completion of a property development project.

According to the literature, normally a customer appoints a project leader, or may even act as project leader himself. In one case, The Town Planner was appointed as project leader. In Chapter 5 it was pointed out that the project team or service providers were selected by word of mouth recommendations from persons who are in the property development business. Qualification, past performance and trustworthiness of service providers are taken into account in the selection of the team. The service providers, appointed for the property development project under discussion, as well as their specific functions are given in Chapter 1, paragraph 1.2.

### **6.2.2 The important role of service marketing in the selling of services to customers of property development projects**

Du Preez (1992:44) says that it is important that existing customers be retained at all cost and that new customers be found. Bloom (1984:104) says that many people are ignorant of the services rendered by professionals and that they should be taught when and how to make use of the services.

Customers do not actively market their intention of property developments, but rather select a team of service providers by choice to do the work. Most of the service providers belong to professions and organizations which bind them with certain constraints, norms and conducts. Deduced from the responses of the service providers, active marketing in order to source new clients does not take place. The service providers rather promote their professional capabilities by means of quality service performance and word of mouth referrals.

### **6.2.3 The necessity of building relationships among the role-players of property development projects**

In Chapter 4 paragraph 4.3, it became clear that business people enter into co-operative agreements with others to share skills and resources in order to

accomplish a project. These relationships can be organized as informal or structured alliances. The customers of the property development projects agree that they do not have a structured alliance with the service providers but rather a loose or ad hoc relationship. In accordance with the literature, the customers as well as the service providers agree that their relationships are built on common trust, commitment toward promises made, care of the interest of the customer and timeous delivery of their service. In order to satisfy the customers' expectations, effective communication between all role-players is cardinal. The service providers are, however, reluctant to give any guarantees on the outcomes of the projects due to unforeseen delays caused at the Local, Provincial and National Departments which have to grant permission for the development of properties.

#### **6.2.4 The importance of delivering quality services to customers of property development projects**

The quality of a service is based on the perceptions of the customer and not on that of the service provider. It is therefore essential that a customer-orientated service attitude be developed (Grönroos, 2000:109-111). Both the customers and the service providers confirmed this fact in paragraphs 5.6.1 and 5.6.2.

A customer orientated service that allows the customer to favourably evaluate services received, in comparison to his expectations, will result in a quality service being delivered. Grönroos (2000:109-111) indicates that this orientation should include the education of the client, to act in the service encounter and to ensure that a positive experience is enjoyed.

Grönroos (2000:81) argues that know-how, skills, empathy, infrastructure, reliability, trustworthiness, consistent communication, reputation and credibility are critical elements in which service providers must excel to ensure that their service delivery is perceived as quality service. All the role-players endorse this argument by Grönroos.

Grönroos (2000:190-191) formulates a service quality strategy which has as its result to establish:

- Internally, in the service providers practice, a better work environment and a better motivated work force; and

- Externally, through customers who are satisfied with the service received, an increase in their required service volumes and the attraction of additional clients.

### **6.3 FOUR RECOMMENDED STEPS TO CLOSE GAP 4 OF THE GAPS MODEL OF SERVICE QUALITY**

#### **6.3.1 The need for co-ordination in marketing communication**

The complex nature of the process, as discussed in Chapter 2, requires extensive communication between all role-players. The elements of the service marketing mix, described in paragraph 3.3, complicate communications with customers. Unless a service delivery company co-ordinates its marketing communication as stated by Zeithaml & Bitner (2000:403), customers can develop unrealistic expectations in comparison to the service providers' delivery capabilities. To this end the customers should be briefed by the project leader and service providers after being informed of their service expectations, as described in paragraph 5.2.3.

Grönroos (2000:3) argues that customers buy the benefits they receive from services. A strategy of integrated marketing communication that requires all traditional marketing and service delivery communications to be integrated is necessary (Grönroos, 2000:266). O'Hair et al. (1995:208-209) argue that customers base their evaluation of the service that they receive on the interactive communication they experience and the level to which their needs are met. The service providers are aware of the fact that customers' needs must be known by them (paragraph 5.2.3).

The communications and services marketing triangle as described by Zeithaml & Bitner (2000:403) shows how marketing between the role-players take place. Customers are targeted by external marketing and interactive communications by service providers. To ensure that the messages they receive are consistent, the internal communications within and between the service providers must be managed. Proper education of the customers must take place.

Keeping promises is very important to ensure that customers are satisfied and retained. Quality service delivery, as indicated by the service providers, depends on co-ordinated and integrated marketing communication. A key dimension of the service encounter is interpersonal trust. Gremler et al. (2001)

argues that trust is based on three interpersonal relationship dimensions between the customers and service providers namely familiarity, a personal connection and empathy. This trust develops as a result of the reliability and integrity demonstrated by the service providers. Effective communication that results in the sharing of meaning (Fielding, 1997:4) will ensure that realistic expectations are created, that customer education takes place and that empathy is demonstrated. The service providers agreed that co-ordinated and integrated communication is necessary to ensure the expected end results of effective communication. The customers indicated that they were satisfied with the services provided to them because the service providers fulfilled their expectations, especially with regard to their trustworthiness.

To achieve effective communication, service providers must consider implementing communication training programs to improve their communication skills (Gibson et al., 1997:407- 408, 426; Fielding, 1997:31). Fryer (1996:69) states that the lack of proper communication between role-players in the construction industry was responsible for problems in that industry. Service providers responded positively to the question that training in communication skills is necessary to ensure that the best possible flow of information is achieved.

The service encounter during which considerable interpersonal contact takes place can have a great impact on the customers' evaluation of the service. Service providers must therefore focus on their communication with the customers (Sundaram & Webster, 2000).

A co-ordinated services marketing communication strategy is being used by more and more companies to co-ordinate their marketing communication. This is done to ensure that they keep their customers happy (Zeithaml & Bitner, 2000:405). Customers reported that they felt that effective integrated communication was achieved through frequent follow-up communications regarding progress and/ or problems encountered.

### **6.3.2 Key reasons for service communication problems**

As indicated in Chapter 4 paragraph 4.4.2, customers' perceptions of service quality are affected when inflated promises are made. Inadequate management of services promises originates from a lack of knowledge about

the capabilities of service providers, poor internal communication and unrealistic expectations of customers (Zeithaml & Bitner, 2000:405; Di Salvo, 1977:7). The customers as well as the service providers are in agreement that management of service communication is crucial for quality service delivery. Aspects which have to be addressed are commitment by sales personnel, management of service promises and accurate information regarding the expectations of the customers.

Zeithaml & Bitner (2000:406) say that marketing promises must accurately reflect what can be delivered by the service provider. Berry et al. (1988:37-38) add that failure to correctly identify a customer's desires is one kind of a quality gap. The role players in recent property development projects agree that service providers must manage customers' expectations to the extent that they fully understand what the customers really expect. Communicating realistic expectations, time frames, problem solving and preventing tribunal hearings are aspects which have to be dealt with.

Managing customers' education involves that they must be informed of the complex net of services and processes which will affect the outcome of their expectations (Zeithaml & Bitner, 2000:407). Service providers reported that new customers are seldom aware of the complexity of services needed. It is therefore necessary that the quotation document provided by the service providers must, among other information, also succeed in educating the customers.

In Chapter 5 it was indicated that at least nine different service providers (professionals) are involved in a property development project. Horizontal communication between them is crucial in order to prevent all sorts of problems which may lead to not meeting a customer's expectations. Reasons why professional services fail at marketing have been listed by Isaacson (1987:106-108). All the role-players agree that ineffective internal marketing communication may cause poor quality service delivery.

### **6.3.3 Different categories of strategies to match service promises with delivery**

The importance of managing service promises have been mentioned more than once in this study. Zeithaml & Bitner (2000:408) consider four strategies through which service delivery can be matched up with promises namely,

effective service communication, co-ordination of external communication, making realistic promises and offering guarantees. Customers of the recent property development projects were satisfied that the promises made by the service providers were realistic and attributed it to effective internal marketing communication as well as to proper co-ordination of external marketing communication. Service providers, however, were reluctant to give guarantees for timeous delivery of services because they are not able to control the service delivery by Local, Provincial and National Departments which had to approve the application for development of the said properties.

Managing customers' expectations is also important in order to reach consensus on what can be promised and what is possible. Zeithaml & Bitner (2000:414) suggest four strategies namely, offer choices, create tiered value service offerings, communicate the criteria and levels of service effectively and negotiate unrealistic expectations. Customers confirmed that they were involved in exchanging ideas about the applications for recent property development projects. The majority of service providers were not willing to give unrealistic choices or tiered value offerings, but rather negotiated to manage customers' expectations to realistic standards.

Zeithaml & Bitner (2000:416-420) give four strategies for the improvement of customers' education namely, prepare customers for the service process, confirm performance to standards and expectations, clarify expectations after sale and teach customers to avoid peak demand periods and seek low demand periods. According to research findings, the service providers said that the customers were well prepared for the complex process of service delivery. They clarified the expectations of the customers and confirmed the standards. They also advised the customers not to expect timeous delivery during peak periods.

The flow of information (vertical communication) in a firm regarding the expectations of the customers must be properly managed. Communication takes place downward from management to employees as well as upward from employees to management. It is also important that support personnel of service providers be educated to have service encounters with customers through interaction or measurement. Horizontal marketing communication between the different role-players is also important (Zethaml & Bitner,

2000:419). This can best be accomplished by cross functional teams to align customers' requirements with the tasks of employees. From the research findings it is clear that customers regard the management of internal marketing through vertical and horizontal communication very important for the accomplishment of their projects.

#### **6.3.4 The necessity to exceed customers' expectations**

Zeithaml & Bitner (2000:422) say that merely meeting customer expectations is not enough; a company must exceed them to retain customers. A company should know which expectations it can and should exceed, what customer group to target and the impact of exceeding expectations has on future service delivery. Providing an adequate service according to paragraphs 4.2.4 and 5.5.3 has the biggest chance of meeting customers' expectations. Desired service levels are problematic to achieve. Making acceptable service promises and then exceeding them is a good strategy to impress customers. Both the literature and results of the research confirm this strategy. Four strategies are identified which can assist with exceeding customer expectations.

- **Demonstrating /understanding of customers' expectations**

It is important to understand customers' needs and in the short term this can delight them. Understanding their expectations can help to focus the efforts of the service provider (Zeithaml & Bitner, 2000:423). This can be achieved through empowerment of employees, implementing a customer-based attitude, demonstrating managements' commitment, setting of high standards and frequent follow-up of service delivery as well as having access to a service recovery program (Kotler & Armstrong, 1996:667). From the response of customers in question 5.4 it can be deduced that they expect the service providers to understand their expectations and try to exceed it.

Gelp et al. (1988:31-32) state that shaping realistic expectations, trying to correct unrealistic expectations through proper communication and focussing on service delivery to match customers' expectations can contribute a great deal to customer satisfaction. The results of the field work confirm this statement (Question 5.6). Three recommendations follow from these proposals:

- (a) Adjust customer expectations by addressing unrealistic expectations and prevent any possible misunderstandings;
- (b) Set up communication routines and improve communication skills; and
- (c) Manage all contacts with customers.

- **Leverage the delivery dimension**

Demonstrating reliability, responsiveness, assurance, empathy and providing tangibles are service quality dimensions ranked high by customers (Zeithaml & Bitner, 2000:423; Kotler, 1997:478). Customers as well as service providers confirm that the above-mentioned qualities are important to judge service delivery.

Delivering a better service than expected is a useful strategy to leverage service delivery and can be accomplished by regular interaction with customers (Zeithaml & Bitner, 2000:423; Grönroos, 2000:78). The customers reacted positively to complying to the minimum expectations as well as delivering consistently higher quality service than expected. However, the majority of the service providers reported positively on delivering higher quality service than expected.

Advertising, word of mouth referrals and past experiences are used to compare the service that was delivered. Kotler (1997:476) concludes that if the service delivered is found to be less than expected, the customer would leave. The opposite is also true. Customers confirmed that as a result of satisfactory service delivery, they will re-appoint the same team again for future projects.

- **Under promise and over deliver**

Zeithaml & Bitner (2000:424) argue that if service providers regularly under promise and then over deliver the strategy may in the long run cause problems for the service providers. Grönroos (2000:163) argues that making promises consistent high and delivering the service accordingly, is a better approach. The investigation revealed that the project team preferred the last option. Controlling and managing promises is a better strategy and will avoid conflict.

- **Position unusual service as unique and not as the standard**

Constantly meeting customer expectations holds challenges for the service provider. By positioning an unusual service as unique and not as the standard



the service provider can ensure that the firm operates within its capabilities (Zeithaml & Bitner, 2000:425). This is a strategy that the service providers favour. Customer 1 was not required to position his services as unusual as the standard was better than what the competition provided. Customer 2 remarked that time management was regarded as unusual

## **6.4 SHORT SUMMARY**

The following short summary follows from the foregoing discussion:

### **6.4.1 Four important requirements in undertaking property development projects**

#### **6.4.1.1 The importance of drafting a well-documented project proposal and selecting a competent project team for property development projects**

- Customers as well as service providers prefer some sort of document which stipulates the required services (expectations of the customer) and fees.
- A project team was selected and appointed on their specific service capabilities to provide the necessary services needed for the accomplishment of the requirements of the project. The project's team leader can either be the customer himself if he has the necessary skills and know-how, or an external project leader can be appointed.

#### **6.4.1.2 The important role of service marketing in the selling of services to customers of property development projects**

- Customers don't market their intentions for property developments but select a project team by choice.
- Service providers don't actively do any marketing but rather promote their professional capabilities by means of quality service delivery and word of mouth referrals.

#### **6.4.1.3 The necessity of building relationships among the role-players of property development projects**

- Customers as well as service providers form loose or ad hoc alliances based on trustworthiness, commitment toward promises made, care of the interest of the customer and timeous delivery of their service.

- All the role players confirmed the importance of effective communication in order to deliver quality services.

*The service encounter complies with the requirements and standards for the organization/ management of a property development project, the marketing of services and building of relationships set out in the literature. This can be ascribed to the experience during recent projects.*

#### **6.4.1.4 The importance of delivering quality services to customers of property development projects**

- The quality of a service depends on the perception of the customer and is based on comparing expectations and service experiences.
- The development of a customer service orientated attitude will result in the delivery of a better quality service.
- Criteria for good perceived quality service provision include knowledge, skills, empathy, infrastructure, reliability, trustworthiness, consistent communication, reputation and credibility.

*The development of a customer service orientated attitude will result in the delivery of a better quality of services and the evaluation of the quality is based on comparing expectations and service experiences. Knowledge, skills, empathy, infrastructure, reliability, trustworthiness, consistent communication, reputation and credibility of service providers are criteria that enhance delivery of quality services.*

#### **6.4.2 Four recommended steps to close Gap 4 of the Gaps Model of Service Quality**

##### **6.4.2.1 The need for co-ordination in marketing communication**

- Briefing customers on the service delivery process by the service providers prepared them for the service encounter. To do this effectively the customers' needs had to be known and understood by the service providers.

- Service providers know that integrated marketing communication is required to ensure that all traditional marketing and service delivery actions are co-ordinated.
- External and interactive communications consistency is practiced by service providers in order to make sure that customers will receive the same message from all the service providers in the project team.
- The quality perception of a service depends on promises being kept. Customers reported that they were satisfied with the services provided because the service providers fulfilled their expectations.
- Showing reliability and integrity results in the customer developing trust in the service providers' capabilities.
- Sharing of meaning enables the development of realistic expectations, customer education and demonstration of empathy.
- Service providers reported that the use of training programs to improve communication skills assisted greatly to improve productivity through the proper flow of information.
- Service encounters through frequent interpersonal contacts are the crux around which service delivery and evaluation of the services are built.
- Co-ordinated services marketing communication is essential in service delivery. Service providers reported that keeping customers happy ensured future references and the long term viability of the service provider.

*According to the role-players, co-ordination of marketing communication is essential to brief customers on the service delivery process, to manage consistent flow of information (expectations of customers), to make sure that service promises are realistic and kept and that personnel of service providers are trained in communication skills.*

#### **6.4.2.2 Key reasons for service communication problems**

Customers' perceptions of services quality are affected when inflated promises are made.

- Management of service communication is crucial for quality service delivery by means of commitment by sales personnel, management of service promises and accurate information.
- Service providers reported that they had to fully understand what the customers' expectations were and that they had to communicate realistic expectation, time frames and had to prevent tribunal hearings. Also, problems had to be solved.
- Since new customers are not aware of the complexity of the process, service providers agreed that the quotation document had to contain information in order to educate the customers.
- Service providers agreed that proper internal and horizontal communication was necessary to accomplish projects successfully.

*Management of service communication is crucial, starting with commitment of sales personnel, understanding what services customers want, managing service promises with regard to time frames, preventing tribunal hearings and solving unforeseen problems. A well-prepared project document which contains the necessary information will benefit all role-players.*

#### **6.4.2.3 Different categories of strategies to match service promises with delivery**

- Customers agreed that they were satisfied that the service promises made by the service providers were realistic and could be attributed to effective internal communication as well as co-ordination of marketing communication.
- Service providers were reluctant to give any guarantees on account of uncertain service delivery by Local, Provincial and National Departments that had to approve the applications for property development.
- Customers were involved in changing ideas in order to make their service expectation more realistic.
- Service providers were reluctant to give any choices or tiered value offerings but rather negotiated to manage customers' expectations.

- Educating customers consist of preparing them for the process and clarifying their expectations to acceptable realistic levels.
- Role-players regarded internal marketing, and vertical and horizontal communication as very important. This can best be accomplished by cross-functional teams to align customers' expectations with the tasks of the employees.

*Managing service promises by service providers are accomplished by effective internal, external and co-ordinated communication through cross functional teams to align customers' expectations with the tasks of the employees. Service providers were reluctant to give choices and teired value offerings but rather negotiated satisfactorily outcomes with the customers. Customers were involved in shaping their expectations.*

#### **6.4.2.4 The necessity to exceed customer's expectations**

- Customers felt comfortable if service providers understood their expectations and then be consistent in their service promises and delivery.
- Providing adequate services rather than trying to achieve desired service levels was acceptable to meet customers' expectations.
- The research findings in Chapter 5 confirmed that shaping realistic expectations, trying to correct unrealistic expectations through proper communication and focussing on service delivery to match customers' expectations could contribute a great deal to customer satisfaction.
- Demonstrating reliability, responsiveness, assurance, empathy and providing tangibles were service quality dimensions ranked high by customers.
- The customers confirmed that on account of satisfactorily service delivery by the service providers, they would strongly consider using the same project team again in future.
- The project team preferred the option to make promises consistent high and delivering the service accordingly. Controlling and managing promises and delivery is a strategy which will avoid conflict.

- Customer 1 said that he did not find it necessary to regard some of the services unique while customer 2 reported that time management could be regarded as unusual.

*Customers were satisfied that the service providers understood what their expectations were and that they strove to deliver adequate services. Shaping customers' expectations to realistic levels through effective communication contributed to their satisfaction with the service delivery. The reliability, responsiveness, assurance and empathy of service providers contributed to the fact that the customers were considering to use the same project team in future. Making promises consistent high and delivery of services accordingly contributed to exceeding the customers' expectations.*

## 6.5 CONCLUSIONS

Judging the research findings by comparing the responses of the customers and service providers with the theoretical background, it can be concluded that the successful accomplishment of any property development project depends on:

- Effective management of the project (a proper project proposal and selection of a competent project team);
- Effective management of the services marketing process;
- Development of a relationship with the role-players; and
- Ensuring quality service delivery.

Bridging Gap 4 of the Gaps Model of Service Quality can be accomplished if:

- Effective and well co-ordinated marketing communication among all role-players is implemented from the beginning of the project. Effective internal communication (upward and downward) in service providing firms, as well as external communication (between the different service providers and customers) must be implemented.
- Effective strategies are implemented, with reference to management of service promises, management of customers' expectations, management of internal marketing communication and improvement of customers' education.

- Customers' expectations are exceeded. To accomplish this, service providers must understand the customers' expectations, leverage the delivery to the required standard and avoid under promise and over delivery.

The research findings show that the project team of the two recent property development projects was to a large extent successful in implementing the above-mentioned strategies although some shortcomings were also identified.

**The problem statement can be accepted on account of the research findings.**

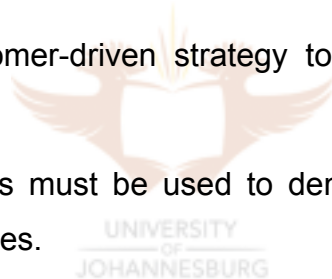
## **6.6 RECOMMENDATIONS / GUIDELINES**

Following the positive research findings, obtained from the customers and service providers involved in the recent property development projects, on the role of integrated communication as medium for the successful outcome of projects, the following practical guidelines are presented.

### **6.6.1 Four important requirements in undertaking property development projects**

- A clear description, preferably in writing, of the proposed project containing the necessary information must be obtained from the customer.
- The customer and one of the service providers, appointed as co-ordinator/project leader of the project, must select and appoint a competent team of service providers for the project.
  - These service providers must be selected on account of their trustworthiness, empathy towards the interest of the customer and competence to deliver quality services.
  - If the initial service providers deliver satisfactorily services, it will be recommended to establish a relationship with them in order to establish a team of loyal experts for future projects.
- The customer must receive from the service providers a well-documented quotation containing the following:
  - The description of the project with relevant background information;
  - The services that will be required;

- The process that has to be followed;
  - Description of customer involvement required;
  - Communication program to be followed;
  - Service performance levels;
  - Estimated time frames;
  - Fees to be charged; and
  - Service commencement requirements;
- Service providers must strive to develop and maintain relationships with other service providers which will enhance external communication effectiveness over time.
  - The customer and the service providers must agree that they will communicate freely among the team members to ensure that quality services be delivered.
    - Focus on a customer-driven strategy to meet the expectations of the customer.
    - Service encounters must be used to demonstrate the characteristics of professional services.



## **6.6.2 Four recommended steps to close Gap 4 of the Gaps Model of Service Quality**

### **6.6.2.1 The need for co-ordination in marketing communication**

Due to the complex nature of the services required for a property development project, co-ordination of the services by the different service providers by means of communication is of paramount importance.

- Customers must be informed about the different steps/ actions which are necessary for the specific type of project as well as the time frames necessary on account of the slow processes at Local, Provincial and National Departmental levels.
- Promises for service delivery from the different service providers must be realistic and co-ordinated through effective communication.



- Customers' expectations must be shaped to realistic levels through extensive communications at marketing discussions.

#### **6.6.2.2 Preventing service communication problems**

The successful completion of the recent projects by the selected service providers and the fact that the customers indicated that they would consider to re-appoint the same team, indicate that very few communication problems occurred. The following preventative measures must be considered.

- Make sure that the customer understands the complexity of the process.
- Make sure that every service provider in the team fully understands the negotiated realistic expectations of the customer.
- Use the available communication channels extensively in order to keep all role-players informed of the progress or problems encountered and solve any problems by means of participation of all concerned.

#### **6.6.2.3 Strategies to match service promises with delivery**

The service providers utilised the following strategies to match their service delivery to the promises that they made.

- Never inflate promises to a level which can not be accomplished in order to be appointed as part of the team.
- Negotiate the customer's expectations to realistic levels and keep him informed if any unforeseen problems occur.
- Make sure that all service providers of the cross functional team are effectively informed of the customer's expectations through internal communication.

#### **6.6.2.4 Exceeding customer expectations**

- Make sure that the customer fully understands what services are promised by the service providers during the communication process, and preferably, by putting it in writing in the quotation.
- Leverage service delivery by demonstrating reliability, responsiveness, assurance, empathy and by providing tangibles.

- Do not attempt to under promise and then over deliver. Always promise what can be delivered and then try to exceed the promises made.

## 6.7 FINAL REMARK

The application of these recommended guidelines is by no means comprehensive enough to ensure the proper integration of communication in a service providers firm. Each project presents its own challenges that have to be addressed. The recommended guidelines can form the backbone of a communication strategy for those firms that are seeking an approach to solve their communication problems.



## 7 BIBLIOGRAPHY

**Andersen PH. 2001.** Relationship Development and Marketing Communication: An Integrative Model. *The Journal of Business and Industrial Marketing*, 16 (3): 167-183.

**Baron, S. & Harris, K. 2003.** Services Marketing, Texts and Cases. 2<sup>nd</sup> ed. New York: Palgrave Macmillan.

**Bateson, JEG & Hoffman, KD. 1999.** Managing Services Marketing, Text and Readings. 4<sup>th</sup> ed. Fort Worth: Dryden Press, Harcourt College Publishers.

**Berry LL, Parusuraman A & Zeithaml VA. 1988.** The Service-Quality Puzzle. *Business Horizons*, September-October (1988): 36-44.

**Bloom N. 1984.** Effective Marketing for Professional Services. *Harvard Business Review*, September-October (1984): 102-110.

**Cooper DR & Schindler PS. 1998.** Business Research Methods. 6th ed. Boston: McGraw-Hill International Editions.

**Cravens DW & Piercy NF. 1994.** Relationship Marketing and Collaborative Networks in Service Organizations. *International Journal of Service Industry Management*, 5(5): 39-53. Available from: Emerald: <http://www.emeraldinsight.com/> [Accessed: 2003-05-17].

**Dent SM. 2002.** Strategic Alliances (Business) Partnership. *Executive Excellence*, Nov. 2002 19(11): 10-11. Available from: EBSCOHost: Business Source Premier: <http://search.global.epnet.com/> [Accessed: 2003-05-05].

**Di Salvo V. 1977.** Business and Professional Communication, Basic Skills and Principals. Columbus: Charles E. Merrill.

**Du Preez P. 1992.** Bemarking binne kennisorganisasies belangrik: Spesiale verslag. *Finansies en Tegniek*, 13 Maart 1992 44(10): 44.

**Cheng EWL, Li H, Love PED & Irani Z. 2001.** Network Communication in the Construction Industry: *Corporate Communications: An International Journal*, 6(2): 61–70. Available from: Emerald: <http://www.emeraldinsight.com/> [Accessed: 2003-05-17].

**Ferguson CJ. 1996.** "Selling" Professional Services: A Practical Approach. *Management Decision*, 34(3): 49-54. Available from: Emerald: <http://www.emeraldinsight.com/> [Accessed: 2003-05-17].

**Fielding M. 1997.** Effective communication in organisations: Preparing Messages that Communicate. 2<sup>nd</sup> ed. Ndabeni, Western Cape: Juta The Rustica Press.

**Fryer B. 1996.** The Practice of Construction Management. 3<sup>rd</sup> ed. Oxford: Blackwell Science: 294.

**Gelb DD, Smith SS & Gelb GM. 1988.** Service Marketing Lessons from the Professionals. *Business Horizons*, September-October 1988: 29-34.

**Gibson JL, Ivancevich JM & Donnelly JH. 1997.** Organizations, Behaviour, Structure, Processes. Chicago: Irwin.

**Gremler DD, Gwinner KP & Brown SW. 2001.** Generating positive word-of-mouth communication through customer-employee relationships. *International Journal of Service Industry Management*, 12(1):44-59. Available from: Emerald: <http://www.emeraldinsight.com/> [Accessed: 2003-05-17].

**Grönroos C. 2000.** Service Management and Marketing: a Customer Relationship Management Approach. 2<sup>nd</sup> ed. Chichester: Wiley.

**Grossman RP. 1998.** Developing and managing effective consumer relationships. *Journal of Product and Brand Management*, 7(1): 27-40. Available from: <http://www.emeraldinsight.com/> [Accessed: 2003-05-17].

**Hair JF (Jnr), Babin B, Money AH & Samouel P. 2003.** Essentials of Business Research Methods. USA Leyh Publishing: Wiley.

**Isaacson RW. 1987.** Management of an Accounting Practice. *CPA Journal*. Januar, 1987: 106-108.

**Ivancevich JM, Lorenzi P, Skinner SJ & Crosby PB. 1997.** Management: Quality and Competitiveness. 2<sup>nd</sup> ed. Chicago: Irwin.

**Jarratt DG. 1998.** A Strategic classification of business alliance: a qualitative perspective built from a study of small and medium-sized enterprises. *Qualitative Market Research: An International Journal*, 1(1): 39-49. Available from: Emerald: <http://www.emeraldinsight.com/> [Accessed: 2003-05-15].

**Kotler P. 1997.** Marketing Management: Analysis, Planning, Implementation and Control. 9th ed. New Jersey: Prentice Hall International.

**Kotler P & Armstrong G. 1996.** Principals of Marketing. 7th ed. London: Prentice-Hall International.

**Kurtz, DL & Clow, KE. 1998.** Services Marketing. New York: Willey.

**Lake C. 1999.** Activities Management: Team Leader Development Series. Oxford: Butterworth Heinemann.

**Lowendahl BR. 1997.** Strategic Management of Professional Service Firms: Handelshøjskolens Forlag. Copenhagen: Munksgaard International Publishers.

**Meredith JR & Mantel SJ. 2000.** Project Management: A Managerial Approach. 4th ed. New York: Wiley.

**Normann R. 2000.** Service Management; Strategy and Leadership in Service Business. 3rd ed. Chichester: Wiley.

**O'Hair D, Friedrich GW & Shaver, LD. 1995.** Strategic Communication in Business and the Professions. 2nd ed. Boston: Houghton.

**Olkkonen R, Tikkanen H & Alajoutsijärvi. 2000.** The role of communication in business relationships and networks. *Management Decision*, 38(6): 403-409. Available from: Emerald: <http://www.emeraldinsight.com/> [Accessed: 2003-05-17].

**Palmer, A. 1998.** Principles of Services Marketing. 2<sup>nd</sup> ed. London: McGraw Hill.

**Sharma N & Patterson PG. 1999.** The impact of communication effectiveness and service quality on relationship commitment in consumer professional services. *Journal of Service Marketing*, 13(2): 151-170. Available from: Emerald: <http://www.emeraldinsight.com/> [Accessed: 2003-07-09].

**Stewart B. 2000.** Hitting the Target. *CAMagazine*, August 2000: 42-53.

**Sundaram DS & Webster C. 2000.** The role of nonverbal communication in service encounters. *Journal of Service Marketing*, 14(5): 378-391. Available from: Emerald: <http://www.emeraldinsight.com/> [Accessed: 2003-07-09].

**Van Doorn DC, Smith LW & Biglin RJ. 1985.** The Challenges of Professional Services Marketing. *The Journal of Consumer Marketing*, 2(2):19-27.

**Zeithaml VA & Bitner MJ. 2000.** Services Marketing: Integrating Customer Focus Across the Firm. 2nd ed. Boston: Irvin MacGraw-Hill.

**Zikmund WG. 2000.** Business Research Methods. 6 th ed. Fort Worth: Dryden Press, Harcourt College Publishers.



## 8 APPENDIX 1: RESPONSES OF CUSTOMERS TO THE QUESTIONNAIRE

**TABLE 5.1.1: IMPORTANT REQUIREMENTS IN UNDERTAKING PROPERTY DEVELOPMENT PROJECTS**

QUESTIONS		CUSTOMER 1		CUSTOMER 2	
		YES	NO	YES	NO
<b>PROJECT PROPOSAL AND APPOINTMENT OF A PROJECT TEAM</b>					
1.1	Do you find it necessary/ helpful to have a well-defined project proposal from the start of your property development project?	See remark 1.1		√	
1.2	Do you find it necessary/ helpful to appoint a project leader to see the process of property development through?	√			√
1.3	If the answer in question 1.2 is negative, do you prefer to manage the whole process yourself?		√		√
1.4	If the answer in question 1.3 is positive, do you insist to interact during all the phases and processes of the project?	See remark 1.4		√	
1.5	How do you select the project team or service providers?	See remark 1.5		See remark 1.5	
1.6	How did you become aware of the service providers with the view to appoint them as part of the project team?	See remark 1.6		See remark 1.6	
1.7	Were you aware of the different service providers involved in the process required for the consideration of an application for a property development project?		√		√
1.8	Have you been informed about the process that has to be followed for the property development project?	√		√	
<b>SERVICES MARKETING</b>					
1.9	Do you in any way market your intention to develop a property in order to catch relevant role players' attention?		See remark 1.9		See remark 1.9
1.10	Do you think that information which you received about the trustworthiness of the service providers was true and that they met your expectations?	√		√	
<b>BUILDING RELATIONSHIPS</b>					
1.11	Do you regard good relationships necessary with all the service providers for the completion of a property development project?	√		√	
1.12	Do you have a structured relationship with any of the service providers?		See remark 1.12		√
1.13	Which of the following elements of a relationship in a property development project do you regard as critical to keep you as a customer happy a) Trust in the service providers, b) Commitment to quality service delivery, c) Care for the customer's well-being, d) Timeous service delivery?	See remark 1.13		√ √ √ √	

**Additional remarks:**

- 1.1 **Customer 1 and 2:** Receive a quotation which serves this role.
- 1.4 **Customer 1 and 2:** Always in conjunction with the project leader.
- 1.5 **Customer 1:** Looking at practical experience and qualifications.  
**Customer 2:** Merit, ability, professionalism.
- 1.6 **Customer 1 and 2:** Word-of-mouth and referred by other project service providers.
- 1.9 **Customer 1 and 2:** Not necessary – contact a service provider of choice.

1.12 **Customer 1:** Operate on an ad hoc basis of choice, except for the Estate Agent and the Architect – loose relationship.

1.13 **Customer 1:** In the order: trust, timeous service delivery, commitment, care.

**TABLE 5.2.1: THE NEED FOR CO-ORDINATION IN MARKETING COMMUNICATION**

QUESTIONS		CUSTOMER 1		CUSTOMER 2	
		YES	NO	YES	NO
2.1	In what way do you usually communicate with the different service providers of a project team?	See remark 2.1		See remark 2.1	
2.2	Did the project leader/ service providers in a property development project communicate frequently enough with you so that you were well informed with the progress of the process?	√		√	
2.3	Did you communicate your expectations for the property development project with the project leader/ service providers?	√		√	
2.4	Do you think that the service provider(s) understood clearly what your expectations are for a property development project?	√		√	
2.5	Do you experience the service providers, in a recent property development project, to be trustworthy?	√		√	
2.6	On what grounds do you express this opinion?	See remark 2.6		See remark 2.6	
2.7	Did the project leader or any other service provider inform you about the complexity of the property development project with regard to all the process involved?	See remark 2.7		See remark 2.7	
2.8	Which of the following possibilities enhance effective communication with reference to a property development project: a) Interpersonal trust b) Develop mutual expectations, c) Sharing of meaning d) To shape realistic expectations?	√ √ √ √		√ √ √ √	
2.9	Are you of the opinion that the completion of the project and your satisfaction with the end result of the project could be ascribed to effective integrated communication between all the service providers?	√		√	
2.10	Was it possible to co-ordinate the service delivery of project service providers within the cross-functional teams created for the typical property development projects?	√		√	

**Additional remarks:**

2.1 **Customer 1 and 2:** Telephone, fax and meetings in office or on site.

2.6 **Customer 1:** Honesty and reliability is cardinal as property development prices are escalating considerably.

**Customer 2:** Experience with good, reliable team.

2.7 **Customers 1 and 2:** Yes, by the project leader by means of the quotation and personal communication.



**TABLE 5.3.1: KEY REASONS FOR SERVICE COMMUNICATION PROBLEMS**

QUESTIONS		CUSTOMER 1		CUSTOMER 2	
		YES	NO	YES	NO
<b>INADEQUATE MANAGEMENT OF SERVICE PROMISES</b>					
3.1	Is it necessary to manage service promises made to customers of a property development project	√		√	
3.2	List the most frequent communication problems that you experience in such a typical project.	See remark 3.2		See remark 3.2	
3.3	Did the project leader/ service providers in a recent property development project inform you about unexpected delays?	√		√	
3.4	What measures do you take to address the problems indicated in the aforementioned question?	See remark 3.4		See remark 3.4	
3.5	Did you participate in solving problems which arise during the service delivering process?	√		√	
3.6	Which of the following aspects do you regard as critical to manage service promises in a property development project a) Commitment presented by sales personnel, b) Expectations created by service providers, c) Accurate information distributed among service providers/ employees concerning promises made?	√ √ √		√ √ √	
<b>INADEQUATE MANAGEMENT OF CUSTOMERS EXPECTATIONS</b>					
3.7	What are your minimum expectations for the service that you require for a typical property development project?	See remark 3.7		See remark 3.7	
3.8	What actions will you consider in the event of a) Over-promising b) Not complying with time schedules	See remark 3.8		See remark 3.8	
3.9	Which of the following problems regarding the expectations that were created do you regard as serious: a) Marketing must accurately reflect what could be delivered, b) Raising expectations to unrealistic levels, c) Assessment of service delivery by customers?	√ √ Not applicable		√ √ Not available	
<b>INADEQUATE CUSTOMER EDUCATION</b>					
3.10	How were you informed by the service provider of a property development project about the service to be provided?	Quotation		Quotation	
3.11	Were you educated by the service providers regarding the service that they will provide to you?	√		√	
3.12	Did you have the chance to interact with the planning and the process of the project?	√		√	
<b>INADEQUATE INTERNAL MARKETING COMMUNICATION</b>					
3.13	Did you receive background information from the service providers that enabled you to develop a better understanding of the processes of service delivery?	√		√	
3.14	Do you think that inadequate internal marketing communication may result in poor quality service delivery?	√		√	
3.15	Did the service promises accurately reflect the service delivery capabilities of the service providers?	√		√	

**Additional remarks:**

- 3.2 **Customer 1 and 2:** Not being informed frequently enough.
- 3.4 **Customer 1:** Contact the service provider when necessary.

- 3.7 **Customer 1:** Time from application to sub-division; obtaining consent from rate payers; avoiding tribunal hearings as far as possible; attention to environmental impact and aesthetic awareness
- Customer 2:** Education concerning time frames, ability to solve problems timeously, to keep the developer in the loop.
- 3.8 **Customer 1:** Fall back on experience and consider another consultant. Contact service provider and demand action.

**TABLE 5.4.1: CATEGORIES OF STRATEGIES TO MATCH SERVICE PROMISES WITH DELIVERY**

QUESTIONS		CUSTOMER 1		CUSTOMER 2	
		YES	NO	YES	NO
<b>MANAGING SERVICE PROMISES</b>					
4.1	Do you think that the promises made by the service provider were realistic for a property development project?	√		√	
4.2	On what grounds did you come to the conclusion in question 4.1?	See remark 4.2		See remark 4.2	
4.3	Which of the following strategies do you think will help to match service promises with delivery in a property development project				
	a) Manage service promises,	√		√	
	b) Manage customer expectations,	√		√	
	c) Improve customer education,	√		√	
	d) Manage internal marketing communication?	√		√	
4.4	Which of the following approaches may help managing service promises in a property development project				
	a) Create effective services communications,	√		√	
	b) Co-ordinate external communication,	√		√	
	c) Make realistic promises?	√		√	
<b>MANAGING CUSTOMERS' EXPECTATIONS</b>					
4.5	Have you been informed by the service providers about the complexity of the application process for a property development project?	√		√	
4.6	Were criteria and levels of service effectiveness negotiated with you regarding service delivery for property development projects?	√		√	
4.7	Were you ever required to adjust your expectation for the project in the light of the complex process for property development?	√		√	
4.8	Were you at any stage of the project involved with the flow of information which was needed?	√		√	
4.9	Were you involved in the actions taken to overcome the problems which cause the delay?	√		√	
4.10	Did you find the quality of the services delivered acceptable in your recent property development projects?	√		√	
<b>IMPROVEMENT OF CUSTOMERS' EDUCATION</b>					
4.11	Which of the following approaches will help to improve customers' education in a property development project				
	a) Avoid peak demand periods,	Not applicable		Not applicable	
	b) Clarify expectations after sale,	√		√	
	c) Confirm performance to standards,	√		√	
	d) Prepare customers for the service process?	√		√	

Continue on the next page.

QUESTIONS		CUSTOMER 1		CUSTOMER 2	
		YES	NO	YES	NO
<b>MANAGING INTERNAL MARKETING COMMUNICATION</b>					
4.12	Were the support personnel of the service provider informed of your requirements of the service to be delivered for a property development project?	√		√	
4.13	Are you of the opinion that communication plays an important role in the provision of a service to you as a customer of a property development project?	√		√	
4.14	Did you get the feeling that vertical (upward and downward communication in a firm) and horizontal communication (between different service providers/ employees) took place in connection with property development projects				
	a) Upward communication.	√		√	
	b) Downward communication,	√		√	
	c) Communication between different service providers?	√		√	

**Additional remarks:**

4.2 **Customer 1:** Has been in this business for the past 5 years and knows what to expect.

**Customer 2:** We give realistic time frames and advice on when to expect possible problems.

**TABLE 5.5.1: EXCEEDING CUSTOMER EXPECTATIONS**

QUESTIONS		CUSTOMER 1		CUSTOMER 2	
		YES	NO	YES	NO
5.1	Which ONE of the following do you interpret as exceeding your expectations for a property development project?				
	a) Under promise and over deliver.				
	b) Consistent promises and consistent delivery.	√		√	
	c) Just meeting my expectations.	-		-	
5.2	Which of the following types of services have the greatest chance of not meeting your expectations in a property development project				
	a) Desired service,		√		√
	b) Adequate service?	√		√	
5.3	Did you, during a recent property development project, experience that the service provider tried to exceed your expectations?	√		√	
<b>DEMONSTRATING/UNDERSTANDING OF CUSTOMERS' EXPECTATIONS</b>					
5.4	Must the service provider fully understand your expectations of a property development project?	√		√	
5.5	Which of the following will contribute to better understanding of your expectations:				
	a) Open communication between you and the service providers in order to clarify your expectations.	√		√	
	b) Empowerment of support personnel of service providers.	√		√	
	c) Continuous monitoring the progress and service delivery to ensure that focus is retained?	√		√	

Continue on the next page.

QUESTIONS		CUSTOMER 1		CUSTOMER 2	
		YES	NO	YES	NO
5.6	Which of the following strategies in connection with a property development project will you recommend to a service provider to follow a) Shaping realistic expectations, b) Correcting those that are unrealistic, e.g. timing of completion, dissatisfaction with the billing if not discussed during acceptance of the project, c) Vigorously emphasising communication, d) Focusing the service to provide a successful outcome in the client's terms	√		√	
<b>LEVERAGE THE DELIVERY DIMENSIONS</b>					
5.7	On which of the following aspects do you judge delivery of services: a) Showing empathy. b) Responsiveness. c) Assurance. d) Reliability?	√		√	
5.8	What do you expect from the service providers towards fulfilling your expectations for a property development project a) To comply to the minimum expectations, b) To deliver consistently higher quality service than the customer expect?	√		√	
5.9	On account of the service delivery, will you use the same service providers again?	√		√	
<b>UNDER PROMISE AND OVER DELIVERY</b>					
5.10	Have you ever experienced that a service provider made promises to you (over promise) which he could not live up too (under delivery)?		√	√	
5.11	Have you experienced that a service provider under promise but eventually exceeds your expectations?		√		√
5.12	Do you think that controlling promises for a property development project and making them consistent with the deliverable service is a better strategy than under promise and over delivery?	√		√	
<b>POSITION UNUSUAL SERVICE AS UNIQUE AND NOT THE STANDARD</b>					
5.13	Were any of the services provided to you by one or more of the providers unique in comparison to the service by the other providers?	See remark 5.13		√	
5.14	If your answer in question 5.13 is positive, please verify the service.	-		See remark 5.14	
5.18	Is there any sense in a strategy not to regard all service expectations equal but to differentiate between unusual and normal expectations?	√		√	

**Additional remarks:**

5.13 **Customer 1:** Not applicable.

5.14 **Customer 2:** Time management.

**TABLE 5.6.1: DELIVERING OF QUALITY SERVICES**

QUESTIONS		CUSTOMER 1		CUSTOMER 2	
		YES	NO	YES	NO
6.1	After completion of the project were you satisfied that the service provider(s) exceeded your expectations?	√		√	
6.2	Will you ever welcome or appoint this service provider in the team for another property development project?	√		√	
6.3	You are aware of the fact that a host of different service providers were engaged in the service encounter. Were you satisfied with the performance of all the service providers?	√		√	
6.4	Did the service providers demonstrate				
	a) Professionalism and skills	√		√	
	b) Accessibility and flexibility	√		√	
	c) Reliability and trustworthiness	√		√	
	d) Service recovery ability	√		√	
	e) Confirmation of their reputation and credibility?	√		√	
6.5	Do you think that perceived quality of service delivery in a property development project depends upon				
	a) The satisfactory completion of the service by the firm,	√		√	
	b) Meeting your expectations,	√		√	
	c) Exceeding your expectations?	√		√	
6.6	Which of the following criteria do you consider important for good perceived service quality for a property development project				
	a) Customers know that the service provider has the knowledge and skills to provide the required service,	√		√	
	b) Customers feel that the service provider cares for him,	√		√	
	c) Customers feel that the service provider has the necessary infrastructure to accomplish the service required,	√		√	
	d) Customers know that the service provider is reliable and trustworthy,	√		√	
	e) Customers know that the service provider will constructively interact with him on all matters,	√		√	
	f) Customers know the reputation and credibility of the service provider.	√		√	

## 9 APPENDIX 2: RESPONSES OF SERVICE PROVIDERS TO THE QUESTIONNAIRE

**TABLE 5.1.2: IMPORTANT REQUIREMENTS IN UNDERTAKING PROPERTY DEVELOPMENT PROJECTS**

QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LANDSUR- VEYOR		CONVEY- ANGING ATTORNEY		CIVIL AND STRUCT- URAL ENGINEER		ELECTRI- CAL ENGINEER		GEOTECH- NICAL ENGINEER		ARCHI- TECT		LAND- SCAPE ARCHI- TECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
<b>PROJECT PROPOSAL AND SELECTING OF A COMPETENT PROJECT TEAM</b>																			
1.1	Do you know how the customer of a property development project became aware of your firm as a service provider for specific services?	Text		Text		Text		Text		Text		Text		Text		Text		Text	
1.2	Do you receive a clear indication of the scope/ expectations of the property development project for which your firms' professional service is requested?	√		√		√		√		√		√		√		√		√	
1.3	Are you normally satisfied with the exactness of the message/ communication which you receive as a request for service delivery for a property development project?	√			√		√		√		√		√			√			√
1.4	How are you informed by the customer/ project leader of a property development project about the service required?	Text		Text		Text		Text		Text		Text		Text		Text		Text	
1.5	Indicate from which of the following service providers in a property development project do you normally receive delivery requests																		
	a) The owner of the property (customer),	√		√		√		√		√		√		√		√		√	
	b) A person appointed as project leader,	√		√		√			√	√		√		√		√		√	
	c) Another person among the professional service providers?	√		√		√		√		√		√		√		√		√	
1.6	To whom do you report back after delivering the service for a property development project																		
	a) The owner (customer),	√		√		√		√		√		√		√		√		√	
	b) The project leader,	√		√		√		√		√		√		√		√		√	
	c) Another person among the professional service providers?			√		√						√		√		√		√	

QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LAND SURVEYOR		CONVEYANCING ATTORNEY		CIVIL AND STRUCTURAL ENGINEER		ELECTRICAL ENGINEER		GEOTECHNICAL ENGINEER		ARCHITECT		LANDSCAPE ARCHITECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
<b>SERVICE MARKETING</b>																			
1.7	Does your firm constructively market your professional service to potential customers of a property development project?	✓			✓		✓		✓	✓		✓		✓		✓		✓	
1.8	Is your firm's external marketing of professional service for a property development project aimed at:	Text		Text		Text		Text		Text		Text		Text		Text		Text	
	a) Attracting new clients,	✓		✓		✓		✓		✓		✓				✓			✓
	b) Retaining old clients,	✓		✓		✓		✓		✓		✓		✓				✓	
	c) Strengthening relationships?	✓		✓		✓		✓		✓		✓				✓		✓	
1.9	Since professional services are intangible, on which of the following aspects does your firm concentrate in marketing of your professional service to customers in a property development project:																		
	a) Making promises for service delivery,		✓		✓		✓		✓		✓		✓		✓		✓		✓
	b) Promoting special skills of your firm,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	c) Marketing within the constraints for professional norm and conduct?	✓		✓		✓		✓		✓		✓		✓		✓		✓	
1.10	Do you provide information of your firms' service capabilities regarding property development projects to customers and other project service providers?	✓		✓		✓		✓		✓		✓		✓		✓		✓	
1.11	Are you of the opinion that service delivery from your firm installs trust with customers and other service providers in property development projects?	✓		✓		✓		✓		✓		✓		✓		✓		✓	
<b>BUILDING RELATIONSHIPS</b>																			
1.12	In the chain of service providers in a property development project, do you participate:																		
	a) On a loose/ ad hoc bases,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	b) In an informal alliance/ partnership	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	c) In a structured relationship?		✓		✓		✓		✓		✓		✓		✓		✓		✓

QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LAND SURVEYOR		CONVEY-ANCING ATTORNEY		CIVIL AND STRUCT-URAL ENGINEER		ELECTRI-CAL ENGINEER		GEOTECH-NICAL ENGINEER		ARCHI-TECT		LAND-SCAPE ARCHITECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
1.13	Which of the following elements of a relationship in a property development project do you regard as critical to keep customers happy																		
	e) Trust in your firms' service delivery,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	f) Commitment of your firm to deliver quality service,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	g) Care for the customer's well-being,	✓				✓		✓		✓		✓				✓		✓	
	h) Timeous service delivery?		✓	✓	✓		✓	✓			✓		✓			✓			✓

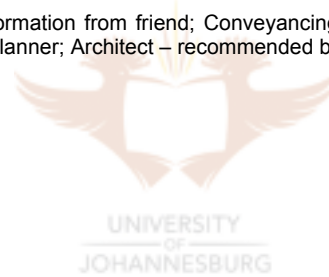
**Notes:**

Q 1.1: Estate Agent- referral; Town Planner- word-of-mouth; Land Surveyor- information from friend; Conveyancing Attorney – referral by Town Planner; Civil and Structural Engineer- word of mouth referral, Electrical Engineer – referred by a friend; Geotechnical Engineer- Town Planner; Architect – recommended by a friend; Landscape Architect – recommended by Town Planner.

Q 1.4: Customer/ project leader calls for a meeting.

Q 1.7: Landscape Architect – not aimed at winning new clients.

Q 1.8: All – promotion of professional skills.





**TABLE 5.2.2: THE NEED FOR CO-ORDINATION IN MARKETING COMMUNICATION**

QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LAND SURVEYOR		CONVEY-ANCING ATTORNEY		CIVIL AND STRUCT-URAL ENGINEER		ELECTRI-CAL ENGINEER		GEOTECH-NICAL ENGINEER		ARCHI-TECT		LAND-SCAPE ARCHITECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
2.1	Are you of the opinion that communication plays an important role in the provision of your service to a customer of a property development project?	√		√		√		√		√		√		√		√		√	
2.2	How frequently do you communicate with each of the service providers?	Text		Text		Text		Text		Text		Text		Text		Text		Text	
2.3	What communication media do you use in communicating with the customer of a property development project?	Text		Text		Text		Text		Text		Text		Text		Text		Text	
2.4	Do you inform other relevant service providers of property development projects of any delays that you are experiencing to enable co-operative updating of time frames?	√		√		√		√		√		√		√		√		√	
2.5	Do you manage effective communication between yourself and the other relevant service providers in property development projects?	√		√		√		√		√		√		√		√		√	
2.6	Are you aware of the current working environment at the Local Authority-, Provincial- and Government Departments? Aspects such as procedural processes, employee status, experience levels of workers, submission requirements, time frames allowed for dealing with application/ processes.	√		√		√		√		√		√		√		√		√	
2.7	Do you provide background information to the customer of the environment in which you operate in the process of service delivery for a property development project?	√		√		√		√		√		√		√		√		√	
2.8	In what way do you educate the customer of a property development project regarding the service that you can provide?	Text		Text		Text		Text		Text		Text		Text		Text		Text	
2.9	Do you consider co-ordination of marketing communication within your firm necessary to build relationships with customers of a property development project?	√		√		√		√		√		√		√		√		√	

QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LAND SURVEYOR		CONVEY- ANCING ATTORNEY		CIVIL AND STRUCT- URAL ENGINEER		ELECTRI- CAL ENGINEER		GEOTECH- NICAL ENGINEER		ARCHI- TECT		LAND- SCAPE ARCHITECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
2.10	Do you think that it is important that messages/ expectation from customers of a property development project be distributed among employees of the firm in such a way that all concerned understand and communicate it clearly?	√		√		√		√		√		√		√		√		√	
2.11	Does horizontal (between employees) and vertical (upward from employees and downward from top management to employees) communication channels exist in your firm?	√		√		√		√		√		√		√		√		√	
2.12	Do you think that management of a firm needs training in communication skills?	√		√		√		√		√		√		√		√		√	
2.13	Do you provide training to your support personnel on how to deal with role-players in a property development project?	√		√		√		√		√		√		√		√		√	
2.14	Do you provide communication channels to your support personnel to communicate with you or with the customer of a property development project?	√		√		√		√		√		√		√		√		Text	
2.15	Is effective interaction important between the service providers requested for a service and your firm?	√		√		√		√		√		√		√		√		√	
2.16	Do you expose your supporting personnel to external exposure on the process they are involved in regarding a property development project?	√		√		√		√		√		√		√		Text		√	
2.17	Which of the following possibilities enhance effective communication with reference to a property development project:																		
	a) Interpersonal trust,	√		√		√		√		√		√		√		√		√	
	b) Develop mutual expectations,	√		√		√		√		√		√		√		√		√	
	c) Sharing of meaning,	√		√		√		√		√		√		√		√		√	
	d) To shape realistic expectations?	√		√		√		√		√		√		√		√		√	

QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LAND SURVEYOR		CONVEY-ANCING ATTORNEY		CIVIL AND STRUCT-URAL ENGINEER		ELECTRI-CAL ENGINEER		GEOTECH-NICAL ENGINEER		ARCHI-TECT		LAND-SCAPE ARCHITECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
2.18	Which of the following skills are necessary for good communication in a property development project a) keep messages simple, b) don't give too much information, c) Give accurate information?	✓		✓		✓		✓		✓		✓		✓		✓		✓	
2.19	Do you frequently follow up your applications for a property development project at the various institutions where it is submitted?	✓		✓		✓		✓		✓		✓		✓		✓		✓	

**Notes:**

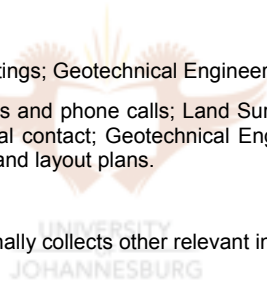
Q 2.2: When necessary.

Q 2.3: Estate Agent – brochures and advertising; all others by telephone, faxes and meetings; Geotechnical Engineer: telephone, faxes and meetings.

Q 2.8: Estate Agent – word-of-mouth communication; Town Planner- numerous meetings and phone calls; Land Surveyor- through information to the Town Planner; Conveyancing Attorney – telephone calls; Civil and Structural Engineer: telephone calls; Electrical Engineer: Personal contact; Geotechnical Engineer: Emphasize the importance of providing appropriate data, Architect: Personal meetings and draft drawings presented; Landscape Architect: personal meetings and layout plans.

Q 2.14: Landscape Architect – Internally only. Only I communicate with clients.

Q 2.16: Architect – I supply the client's inputs and primary design layout drafts and personally collects other relevant information from consultants and Council.



**TABLE 5.3.2: KEY REASONS FOR SERVICE COMMUNICATION PROBLEMS**

QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LAND SURVEYOR		CONVEY-ANCING ATTORNEY		CIVIL AND STRUCT-URAL ENGINEER		ELECTRI-CAL ENGINEER		GEOTECH-NICAL ENGINEER		ARCHITECT		LAND-SCAPE ARCHITECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
<b>INADEQUATE MANAGEMENT OF SERVICE PROMISES</b>																			
3.1	Is it necessary to manage service promises made to customers of a property development project	√		√		√		√		√		√		√		√		√	
3.2	List the most frequent communication problems that you experience in such a typical project.	Text		Text		Text		Text		Text		Text		Text		Text		Text	
3.3	What measures do you take to address the problems indicated in the previous question	Text		Text		Text		Text		Text		Text		Text		Text		Text	
3.4	Which of the following aspects do you regard as critical to manage service promises in a property development project																		
	a) Commitment presented by sales personnel,	√						√		√		√				√			√
	b) Expectations of customers created by promises,	√		√		√		√		√		√		√		√		√	
	c) Accurate information distributed among employees of your firm concerning promises made?	√						√		√		√				√		√	
<b>INADEQUATE MANAGEMENT OF CUSTOMERS EXPECTATIONS</b>																			
3.5	What actions will you consider in the event of																		
	a) Over-promising	Text		Text		Text				Text		Text				Text		Text	
	b) Not complying with time schedules	Text		Text		Text				Text		Text		Text		Text		Text	
3.6	Do you consider the evaluation by customers of services delivered seriously	√		√		√		√		√		√		√		√		√	

QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LAND SURVEYOR		CONVEY-ANCING ATTORNEY		CIVIL AND STRUCT-URAL ENGINEER		ELECTRI-CAL ENGINEER		GEOTECH-NICAL ENGINEER		ARCHITECT		LAND-SCAPE ARCHITECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
3.7	Which of the following problems regarding the expectations of customers of a property development project do you regard as serious a) Marketing must accurately reflect what can be delivered, b) Raising expectations to unrealistic levels, c) Assessment of service delivery by customers?																		
		✓		✓		✓		✓		✓		✓		✓		✓		✓	✓
		✓		✓		✓		✓		✓		✓		✓		✓		✓	✓
		✓		✓		✓		✓		✓		✓		✓		✓		✓	✓
3.8	Do you think that customers of a property development project fully understand the complex net of services and processes which are needed to fulfil their expectations?		✓		✓		✓		✓		✓		✓		✓		✓		✓
<b>INADEQUATE CUSTOMER EDUCATION</b>																			
3.9	Is it necessary to educate customers regarding the type of service which your firm are capable of delivering in a property development project?	✓		✓		✓		✓		✓		✓		✓		✓		✓	
3.10	Do you educate customers of a property development project how to co-operate in determining service promises and the delivery of services	✓		✓		✓		✓		✓		✓		✓		✓		✓	
<b>INADEQUATE INTERNAL MARKETING COMMUNICATION</b>																			
3.11	Do you think that inadequate internal marketing communication may result in poor quality service delivery?	✓		✓		✓		✓		✓		✓		✓		✓		✓	

**Notes:**

Q 3.2: Refer to text.

Q 3.3: All -try to educate the customers at the onset of the service delivery process or contact the customers by telephone calls, faxes or e-mail when necessary.

Q 3.5: All – as a rule not over promise; contact relevant team members when necessary if delays might occur.

**TABLE 5.4.2: CATEGORIES OF STRATEGIES TO MATCH SERVICE PROMISES WITH DELIVERY**

QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LAND SURVEYOR		CONVEY-ANCING ATTORNEY		CIVIL AND STRUCT-URAL ENGINEER		ELECTRI-CAL ENGINEER		GEOTECH-NICAL ENGINEER		ARCHITECT		LAND-SCAPE ARCHITECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
<b>MANAGING SERVICE PROMISES</b>																			
4.1	Which of the following strategies do you think will help to match service promises with delivery in a property development project																		
	a) Manage service promises,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	b) Manage customer expectations,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	c) Improve customer education,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	d) Manage internal marketing communication	✓		✓				✓		✓		✓		✓		✓			✓
4.2	Which of the following approaches may help managing service promises in a property development project																		
	a) Create effective services communications,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	b) Co-ordinate external communication,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	c) Make realistic promises?	✓		✓		✓		✓		✓		✓		✓		✓		✓	
4.3	Does your service promises accurately reflect what you can deliver in a property development project?	✓		✓		✓		✓		✓		✓		✓		✓		✓	
4.4	Do you provide any service guarantees for a property development project?		✓		✓		✓		✓		✓		✓		✓		✓		✓
4.5	Do you offer any choices to customers of a property development project regarding for instance time, costs and outcomes?	✓			✓		✓		✓		✓		✓		✓		✓		✓
<b>MANAGING CUSTOMERS' EXPECTATIONS</b>																			
4.6	Do you provide tiered value service offerings to customers of a property development project?		Text		Text		Text		✓		Text	✓		✓		Text		Text	
4.7	Do you negotiate criteria and levels of service effectiveness with customers of property development projects?	✓		✓		✓		✓		✓		✓		✓		✓		✓	
4.8	Do you negotiate unrealistic customer expectations with customers of property development projects?	✓		✓		✓		✓		✓		✓		✓		✓		✓	

QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LAND SURVEYOR		CONVEY-ANCING ATTORNEY		CIVIL AND STRUCT-URAL ENGINEER		ELECTRI-CAL ENGINEER		GEOTECH-NICAL ENGINEER		ARCHITECT		LAND-SCAPE ARCHITECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
<b>IMPROVEMENT OF CUSTOMERS' EDUCATION</b>																			
4.9	Which of the following approaches will help to improve customers' education in a property development project																		
	a) Avoid peak demand periods,	✓							✓	✓							✓		
	b) Clarify expectations after sale,	✓		✓		✓		✓		✓		✓					✓		
	c) Confirm performance to standards,	✓		✓		✓		✓		✓		✓		✓			✓		
	d) Prepare customers for the service process?	✓		✓		✓		✓		✓		✓		✓			✓		✓
<b>MANAGING INTERNAL MARKETING COMMUNICATION</b>																			
4.10	Do you encourage vertical (upward and downward in your firm) and horizontal communication (between different service providers/ employees) in connection with a property development project																		
	a) Upward communication.	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	b) Downward communication,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	c) Communication between different service providers	✓		✓		✓		✓		✓		✓		✓		✓		✓	
4.11	Are your support personnel familiarized with customer requirements of the service to be delivered to a property development project?	✓		✓		✓		✓		✓		✓		✓		✓		✓	
4.12	Are you able to create cross-functional teams to meet customer's requirements in a property development project?	✓		✓		✓		✓		✓		✓		✓		✓		✓	

**Notes:**

Q 4.6: Conveyancing Attorney: Don't give any assurances; All others - not possible due to the prescriptive processes and standards that have to be adhered too

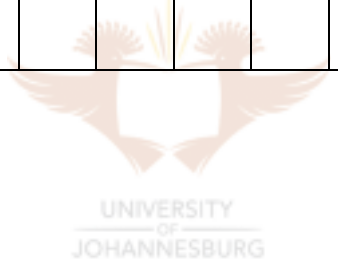
**TABLE 5.5.2: EXCEEDING CUSTOMER EXPECTATIONS**

QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LAND SURVEYOR		CONVEY-ANCING ATTORNEY		CIVIL AND STRUCT-URAL ENGINEER		ELECTRI-CAL ENGINEER		GEOTECH-NICAL ENGINEER		ARCHITECT		LAND-SCAPE ARCHITECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
5.1	Which ONE of the following do you regard as your strategy for exceeding the customers' expectations for a property development project? a) Under promise and over deliver. b) Consistent promises and consistent delivery. c) Just meeting my expectations.																		
		✓		✓		✓		✓		✓		✓		✓		✓		✓	
5.2	Which of the following types of services have the greatest chance of not meeting customers' expectations in a property development project a) Desired service, b) Adequate service?	✓		✓		✓		✓		✓		✓		✓		✓		✓	
			✓		✓		✓		✓		✓		✓		✓		✓		✓
5.3	Did you succeed in matching customers' expectation during the recent property development project?	✓		✓		✓		✓		✓		✓		✓		✓		✓	
<b>DEMONSTRATING/UNDERSTANDING OF CUSTOMERS' EXPECTATIONS</b>																			
5.4	Is it necessary to fully understand what the expectations of customers of a property development project are?	✓		✓		✓		✓		✓		✓		✓		✓		✓	
5.5	Which of the following strategies will you follow with regard to the customers' expectations for a property development project: a) Shaping realistic expectations, b) Correcting those that are unrealistic, e.g. timing of completion, dissatisfaction with the billing if not discussed during acceptance of the project, c) Vigorously emphasising communication, d) Focusing the service to provide a successful outcome in the client's terms	✓		✓		✓		✓		✓		✓		✓		✓		✓	
		✓		✓		✓		✓		✓		✓		✓		✓		✓	
5.6	Do you prefer to select certain customers whom you want to impress with exceptional service for a property development project?		✓		✓		✓		✓		✓		✓		✓		✓		✓



QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LAND SURVEYOR		CONVEY-ANCING ATTORNEY		CIVIL AND STRUCT-URAL ENGINEER		ELECTRI-CAL ENGINEER		GEOTECH-NICAL ENGINEER		ARCHITECT		LAND-SCAPE ARCHITECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
5.6	Do you prefer to select certain customers whom you want to impress with exceptional service for a property development project?		✓		✓		✓		✓	✓			✓		✓		✓		✓
<b>LEVERAGE THE DELIVERY DIMENSIONS</b>																			
5.7	On which of the following aspects do you think that the customers will judge your service delivery:: a) Showing empathy. b) Responsiveness. c) Assurance. d) Reliability?	-		✓		✓		✓		✓		✓		✓		✓		✓	
5.8	What is your firm's strategy towards fulfilling customer's expectations in a property development project? Choose ONLY ONE: a) To comply to the minimum expectations, b) To deliver consistently higher quality service than the customer expect?	✓						✓		✓				✓		✓			✓
5.9	Which of the following strategies in connection with a property development project will you recommend to your firm to follow a) Shaping realistic expectations, b) Correcting those that are unrealistic, e.g. timing of completion, dissatisfaction with the billing if not discussed during acceptance of the project, c) Vigorously emphasising communication, d) Focusing the service to provide a successful outcome in the client's terms	✓		✓		✓		✓		✓		✓		✓		✓		✓	✓

QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LAND SURVEYOR		CONVEY-ANCING ATTORNEY		CIVIL AND STRUCT-URAL ENGINEER		ELECTRI-CAL ENGINEER		GEOTECH-NICAL ENGINEER		ARCHITECT		LAND-SCAPE ARCHITECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
<b>UNDER PROMISE AND OVER DELIVERY</b>																			
5.10	Do you sometimes under promise in an attempt to appear to provide an exceptional service in a property development project?		√		√		√		√		√		√		√		√		√
5.11	Do you think that controlling promises for a property development project and making them consistent with the deliverable service is a better strategy than under promise and over delivery?	√		√			√	√		√		√		√		√		√	
<b>POSITION UNUSUAL SERVICE AS UNIQUE AND NOT THE STANDARD</b>																			
5.12	Is there any sense in a strategy not to regard all service expectations equal but to differentiate between unusual and normal expectations?	√		√		√		√		√		√		√		√		√	



**TABLE 5.6.2.: DELIVERING OF QUALITY SERVICES**

QUESTIONS		ESTATE AGENT		TOWN PLANNER/ PROJECT LEADER		LAND SURVEYOR		CONVEY-ANCING ATTORNEY		CIVIL AND STRUCT-URAL ENGINEER		ELECTRI-CAL ENGINEER		GEOTECH-NICAL ENGINEER		ARCHITECT		LAND-SCAPE ARCHITECT	
		YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
6.1	Do you think that perceived quality of service delivery in a property development project depends upon																		
	a) The satisfactory completion of the service by the firm,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	b) Meeting expectations of customers,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	c) Exceeding expectations of customers?	✓		✓		✓			✓	✓		✓				✓		✓	
6.2	Which of the following criteria do you consider important for good perceived service quality for a property development project																		
	a) Customers know that the service provider has the knowledge and skills to provide the required service,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	b) Customers feel that the service provider cares for him,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	c) Customers feel that the service provider has the necessary infrastructure to accomplish the service required,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	d) Customers know that the service provider is reliable and trustworthy,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	e) Customers know that the service provider will constructively interact with him on all matters,	✓		✓		✓		✓		✓		✓		✓		✓		✓	
	f) Customers know the reputation and credibility of the service provider.	✓		✓		✓		✓		✓		✓		✓		✓		✓	