An Investigation into Service Quality Variation within a Tourist Brand: the Case of the Shamrock.

by

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&

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Abstract

This paper investigates service quality variations within a service brand. It adapts the SERVQUAL measure of service quality by incorporating consumers' best and worst experiences of the Shamrock brand in the Irish bed and breakfast industry. The analysis uses both the perceived risk literature and the lemons model developed by Akerlof, to highlight potential dangers to the brand emerging on both the demand and supply sides of the bed and breakfast market. The findings suggest that quality variations may encourage the suppliers of high quality services to exit the brand, thereby reducing the average level of quality within the brand. The analysis also finds that as consumers' perceptions of quality variations increase, their trust in the Shamrock diminishes.
Executive Summary

This study is based on a sample of 115 tourists based in the Kerry region in the southwest of Ireland. Approximately 95% of the sample consisted of foreign tourists who came from the USA, the UK, and continental Europe. All respondents gave information relating to their best and worst Bed & Breakfast experience under the Shamrock brand.

This study proposes that a service brand may be devalued in two ways:

I. The reduction in service standards by some operators or;

II. the exit of high service quality providers, thereby reducing the average level of quality of the brand.

Based on the “lemons” model of Akerlof (1970), the study argues that the price that Shamrock Bed & Breakfast providers can charge for their services is related to the average level of quality provided by operators under the brand.

The study finds that users of the Shamrock brand (customers) experience significant service quality variations between their best and worst experience of Bord Failte approved Bed & Breakfasts. Consequently, providers of high quality service risk receiving a return less than they deserve providing them with an incentive to leave the brand.

The study finds that the level of trust consumers have in the Shamrock diminishes as the quality variations they experience increase. Consequently, the value of the brand, as a risk-reducing strategy available to consumers, is diminished as variations increase.

The study proposes that, in addition in to monitoring service quality levels, Bord Failte should monitor service quality variations to obtain a more precise picture of the risks facing the brand.

The analysis supports service quality grading methods, such the star system, which would

I. enable high quality service providers charge and justify higher prices and;

II. Underpin the Shamrock as an effective risk-reducing strategy available to customers.
An investigation into service quality variation within a tourist brand: the case of the Shamrock.

Introduction
The aim of this study is to assess the merits of using an adaptation of the SERVQUAL measure to identify the extent of quality variations within a brand. The investigation focuses on the Irish tourism sector and examines quality variations within the Bed and Breakfast (B&B) sector under the Shamrock brand. Since its introduction in 1974, the Shamrock has become one of the most widely recognisable and valuable brand names in the Irish tourism industry. The Shamrock B&B brand promises accommodation of the highest quality, not only in physical specifications, but also in the total B&B experience. In branding its B&B accommodation, Bord Failte, the Irish tourist board, aims to assure consumers that all of their B&Bs are of uniform high quality by providing consumers with an effective risk reducing mechanism. In this way, the equity of the Shamrock brand name is an extremely valuable intangible asset to Bord Failte and the continued development of the Irish tourism sector. However, the value of the Shamrock brand and its continued role within the tourism sector may be threatened by opportunistic behaviour on the part of under-performing B&B providers. Quality variations within the brand threaten to devalue the brand as poor quality providers drive good quality providers out of the Shamrock segment of the market. Variations also risk undermining the credibility of the Shamrock as a risk reducing strategy for consumers.
In 1999, approximately 6.4 million people visited Ireland from overseas. When combined with domestic travellers, Ireland played host to a total of 13.7 million travellers during the year (Bord Failte, 2000a). The tourism industry supporting these visitors is one of the foremost contributors to the national economy, accounting for 20% of net job creation since 1989.

A bed and breakfast is typically defined as a “business where the owners rent out a small number of rooms in the private home to travellers” (Angowski Rogak, 1995). In essence, the B&B provides accommodation in friendly, intimate surroundings, where the visitor is welcomed into the home of the host. The importance of the B&B sector, as one of the primary sources of holiday accommodation in Ireland, is beyond doubt. In 1999, Bord Failte approved B&Bs and guesthouses, accounted for 18% of the total tourism bed nights spent by tourists in Ireland (Bord Failte, 2000a). However, the size of the Irish B&B sector is difficult to quantify, because of the unknown number of independent operators. Estimates have been made. Bord Failte’s Tourism Development Plan 1994-1999 (1993, p. 37-38), cites a survey of the Cork-Kerry region, which determined that there were 117 unapproved B&Bs for every 100 approved. Also, other B&B brands have recently begun granting approval independent of the Shamrock. For example, the Family Homes of Ireland, founded in 1994, represents the interests of more than 1,000 B&Bs nation-wide.

Bord Failte collectively refers to their stock of approved B&Bs, or Shamrock B&Bs, as Irish Homes and suggests that the primary attraction of this accommodation “is their homely atmosphere and the opportunity to meet people in their own homes” (Bord Failte, 2000b p. 96). Irish Homes is composed of:

- **Town Homes:** Shamrock B&Bs in urban areas.
- **Country Homes:** Shamrock B&Bs in rural areas.
- **Farmhouses:** Shamrock B&Bs on working farms (Bord Failte 2000).

These services provide tourists and domestic travellers with the means of visiting locations throughout the country in a flexible and convenient manner. Bookings can be made in advance or delayed until required. With their emphasis on catering to individuals who are touring, short stays in a particular B&B are likely to be more common than long stays. Consequently, a given tourist is likely to stay in a number of locations, yet desire the consistent service experience as promoted by the Shamrock brand.
There are three bodies involved in the organisation of the Irish Homes sector. Town and Country Homes Association Ltd and Irish Farmhouse Holidays Ltd are the marketing bodies for the Town and Country Homes and Farmhouse sectors. Tourism Accommodation Approvals Ltd is responsible for the inspection and approval of premises within the Shamrock brand. Bord Failte’s role in the approval of Shamrock B&Bs is to supervise and monitor the approving company, while also holding responsibility for specifying any upgrading of standards that is required.

Quality Standards within the Shamrock Brand

Quality standards have long been an issue of concern for Irish holiday accommodation. The Tourism Plan set out by Bord Failte (1975) highlights quality standards as being fundamental to tourism development for two reasons. First, the modern tourist is becoming increasingly discerning and seeks excellent value for money. Second, quality standards, both physical and operational, are generally increasing world-wide and Irish tourism must be careful not to be left behind. Despite the importance of quality standards, it has been recognised that standards achieved have not always reached the desired levels (National Economic and Social Council, 1980; Price Waterhouse, 1980; Government of Ireland, 1985; Joint Committee on Small Businesses, 1985).

Over the period 1990-2000, the B&B sector has come under increased scrutiny primarily due to the increasing number of unapproved operators. It was thought that independent operators were lowering the overall standards of the B&B industry. The Tourism Development Plan 1994-1999 suggested that the significant proportion of unapproved B&B operators should be brought within the fold of the approved, in order to ensure that standards are maintained at the highest level (Bord Failte, 1993).

While the encouragement of independent operators to seek approval is seen as a means of improving quality standards within the B&B sector, it is also recognised that there are quality difficulties within the Shamrock brand. The Operational Programme for Tourism 1994-1999 (Government of Ireland, 1994) suggests a number of new initiatives, which could be implemented in order to increase quality standards within this sector. These initiatives include the development of a classification system for Irish Homes. The Programme suggests the instigation of codes of standards for all tourism products, especially those not already under approval and that thought should be given to the possibility of introducing quality marks, such as the “Q” mark
for tourism enterprises (Government of Ireland, 1994 p.23).

**The Shamrock as a Specific Investment**

The Shamrock, as with other brand names, can be viewed as a specific investment. A specific investment is defined by Williamson (1996a, p. 377) as being an asset “that cannot be redeployed to alternative uses or by alternative users except at a loss of productive value.” Williamson identifies six types of specific investment; site; physical; human; dedicated; temporal; and *brand name capital*. A brand name is a specific investment, as the asset owner is investing to develop a special relationship with their customers. The Shamrock B&B brand is Bord Falite’s specific investment in their relationship with its B&B customers. The brand is dedicated, in that its use is confined to B&B accommodation and those customers seeking that type of accommodation. It is of little value outside this domain.

There is substantial risk attached to specific investments, due to incentives for opportunistic behaviour or the “unanticipated non fulfilment of the contract” (Klein et al, 1978). Opportunism is defined as being “self-interested behaviour unconstrained by morality” (Milgrom and Roberts, 1992). The problem with opportunistic behaviour is not that all agents will behave in an opportunistic manner, because they will not. The difficulty is that *some* agents will do so and separating these from those who will not is costly (Williamson, 1985).

Opportunistic behaviour can be encouraged through the existence of information asymmetries. Information asymmetries exist “in situations in which the parties to a potential or actual transaction do not have all the relevant information needed to determine whether the terms of an agreement are mutually acceptable and whether these terms are actually being met” (Milgrom and Roberts, 1992 p. 30). One party may have private information, putting him or her at an instant advantage and in a stronger position within the relationship. The possession of this information may entice him to cheat on the agreement to the detriment of the other party and to the relationship itself. The person with incomplete information is in a much weaker position. He has to rely on signals such as reputation for information. Consequently the decision to enter into the contract is one with substantial uncertainty attached. The more asymmetric the information distribution within the relationship, the greater the risk involved in that transaction.
Akerlof (1970) suggests that information asymmetries can lead to a reduction in the quality of goods in a market and ultimately to the total disappearance of the market. The used car market is an illustration of this. For simplicity, it is assumed that there are only two types of car in the market, good and bad (lemons). Information is unequally distributed within the market. The seller of the used car possesses private information about the quality of the car. The seller has owned the car for a period of time and therefore has an accurate estimate of its quality. The buyer is not in a position to tell the difference between a good car and a lemon, but observes a market price representing the average level of quality in the market. This situation is advantageous for the sellers of lemons, as they are receiving more than the value of their cars. However, good quality car owners receive a price that is less than the true value of their cars. These sellers are thus discouraged from entering the market. In essence, “bad cars drive out the good because they sell at the same price as good cars” (Akerlof 1970, p. 490).

The Shamrock may be subject to the dangers of opportunistic behaviour because of the relationships upon which the strength of its reputation is based. The Shamrock is awarded to accommodation providers on condition that a number of standards and conditions have been met and will continue to be maintained. These standards serve to ensure that all Shamrock approved B&B accommodation is of a constant high quality. Once these standards have been met, providers can display the Shamrock and avail of Bord Failte listing for a fee. Having obtained Shamrock status, there is an incentive for the provider to cheat, lower quality standards but continue to charge a price consistent with the Shamrock premium. This risks devaluing the brand and reducing the returns to conforming B&B providers, providing them with an incentive to exit. The recent growth of such alternatives, such as the Family Homes of Ireland, may be a symptom of this problem.

To minimise the risk of opportunistic behaviour, monitoring activities are carried out on behalf of Bord Failte. The purpose behind monitoring is to eradicate the incentive to behave opportunistically. However, monitoring may be ineffective if the level of monitoring activities is insufficient to detect cheating, or if the sanction imposed is too low should cheating be observed. In effect, the provider compares the benefits of cheating with the probability of being caught and the costs associated with the expected sanction. Cheating is likely to occur if the benefits exceed the expected loss, creating a quality variation within the brand.
The Shamrock as a Risk Reduction Strategy

Consumers face risk when making a purchase decision, due to the uncertainty attached to the outcome of the decision. The dimensions of perceived risk usually considered are; financial; performance; physical; social; time; and psychological (Jackoby and Kaplan, 1972). Garner (1986) applies these risks to services.

Table 1 Types of Perceived Risk

<table>
<thead>
<tr>
<th>Risk</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>The risk that the service purchased will not achieve the best possible monetary gain for the consumer</td>
</tr>
<tr>
<td>Performance</td>
<td>The risk that the service purchased will not be completed in the manner which will result in customer satisfaction</td>
</tr>
<tr>
<td>Physical</td>
<td>The risk that the performance of the service will result in a health hazard to the consumer</td>
</tr>
<tr>
<td>Time</td>
<td>The risk that the consumer will waste time, lose convenience or waste effort in getting a service redone</td>
</tr>
<tr>
<td>Social Risk</td>
<td>The risk that the selection of the service provider will negatively affect the perception of other individuals about the purchaser</td>
</tr>
<tr>
<td>Psychological Risk</td>
<td>The risk that the selection or performance of the producer will have a negative effect on the consumer’s peace of mind or self-perception</td>
</tr>
</tbody>
</table>

Source Garner (1986)

To minimise these risks, the consumer will seek to reduce the uncertainty surrounding the purchase decision. This can be achieved by engaging in pre-purchase search activities, seeking as much information about the offering as is practicable. Available information usually takes the form of cues which help the consumer reduce perceived risk. However, the information search process is costly. Costs include travel and time spent searching, along with collecting and processing information (Bowbrick 1992, p.45). The risk reducing capabilities of different cues will also vary and so consumers will attach different levels of confidence or predictive value to various cues (Cunningham, 1967b).

The use of brands as a risk reducing strategy is well documented (Cunningham, 1967; Roselius, 1971). Cox (1967) identifies three channels of information available to consumers; marketer dominated; consumer dominated; and neutral. Brands fall within the domain of marketer dominated channels. While this channel is easily available to the consumer, it may not be entirely trustworthy. Brands have to earn the trust of the consumer. Selnes (1996) proposes that trust may be used by the consumer when information is not readily available or is too costly to acquire. Trust
becomes important to the consumer as it can serve as a cost efficient means of making a purchase decision. For the services supplier, the implication for the brand is increased levels of “preference and usage, higher emotional ties to the brand and trust and loyalty” (Siguaw et al., 1999 p.49). However, variations in service quality within the brand risk undermining its credence and predictive value. It also may influence the level of satisfaction enjoyed by the consumer. As suggested by Bowbrick (1992, p.16-17), “somehow, a product of a given quality from a brand with a reputation for erratic quality does not give the same satisfaction as an identical product from a brand with a reputation for consistent quality.”

Service Quality

Service quality is regarded as an elusive and abstract construct that is difficult to define and measure. This is due to the fact that services are characterised by intangibility, inseparability of production and consumption, heterogeneity and perishability (Parasuraman et al., 1988; Bateson and Hoffman, 1999). In an attempt to measure this construct, Parasuraman et al. (1985; 1988; 1991) developed the SERVQUAL scale. Since then the scale has dominated the literature and has become the most popular measure of service quality and has been frequently applied to the tourism and hospitality industries (Fick and Ritchie, 1991; Gabbie and O’Neill, 1996; 1997; Pizam and Ellis, 1999; White and Rudall, 1999).

The SERVQUAL scale was constructed to measure service quality as perceived by the consumer. It was defined as the difference between what a consumer expects from a service and what they perceive. If perceived quality is less than expected quality, the consumer will be unsatisfied. If perceived quality equals expected quality, then quality is perceived to be satisfactory. Perceived quality that exceeds expected quality, will leave the consumer more than satisfied (Parasuraman et al., 1985). Parasuraman et al. (1988) originally applied their Perceptions-Expectations Model in the retail environment. The authors identified five dimensions of service quality, which they proposed were generic and could be applied across a wide range of services. The dimensions are given in Table 2.
Table 2 Dimensions of Service Quality

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>Ability to perform the promised service dependably and accurately</td>
</tr>
<tr>
<td>Tangibles</td>
<td>Physical facilities, equipment and appearance of personnel</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Willingness to help customers and provide prompt service</td>
</tr>
<tr>
<td>Assurance</td>
<td>Knowledge and courtesy of employees and their ability to inspire trust and confidence</td>
</tr>
<tr>
<td>Empathy</td>
<td>Caring individualised attention the firm provides its customers.</td>
</tr>
</tbody>
</table>

Source: Parasuraman et al, 1988

The scale provided a basic skeleton, composed of statements for each of the identified service quality dimensions. The skeleton could be adapted or supplemented to fit the characteristics or specific research needs of a particular organisation (Parasuraman et al, 1988).

Despite much acclaim, SERVQUAL has been subjected to substantial criticism, especially in relation to its expectations component. Carman (1990) suggests that while expectations are important, the value of measuring service quality using expectations that are gathered ex post is questionable because they are influenced either negatively or positively by the fact that the respondent has already experienced the service. Carman (1990) and Buttle (1996) also find fault with SERVQUAL for its use of absolute rather than relative expectations. The model treats a service favourably once expectations have been met or surpassed, without accounting for the fact that expectations differ between settings. Therefore, low expectations easily met will point to high quality, regardless of whether the service performance was good or bad. Buttle (1996) also questions SERVQUAL’s difference score paradigm, for its suggestion that both positive and negative gaps are equally suggestive. It often happens that failure to meet expectations is more noteworthy than meeting or exceeding them. In this way, while customers often criticise poor performance, they fail to praise a good performance.

Cronin and Taylor (1992) add their doubts about the expectations-perceptions score, putting forward their own, performance only model, SERVPERF. They show that it is possible to explain the variance in service quality through an analysis of performance alone, leaving expectations redundant in the measurement of service quality.
Research Objective
This research seeks to investigate whether or not quality variations exist within the Shamrock brand and, if so, to identify the implications for the brand. The research will evaluate the quality of service offered by the Shamrock B&B brand to see if a variation exists. Variations in perceived performance threaten to undermine the long term viability of the brand by influencing both supply side and demand side factors. First, a large variation in service quality would suggest that the brand is susceptible to the problems outlined in Akerlof’s (1970) “lemons” model. Those operators who maintain good quality standards may be driven out by those who cheat. Over time, as good quality operators continue to exit and average quality levels continue to fall, the reputation of the brand will be undermined. Second, variations in perceived service quality threaten to reduce the Shamrock’s ability to act as an effective risk reducing strategy by diminishing consumers’ trust in the brand.

Methodology
Following a series of exploratory interviews with B&B operators, it was determined that the B&B service was composed of five dimensions namely; security; service reliability; empathy; breakfast; and bedroom/bathroom facilities. Forty-two items statements were developed, using both original items developed by Parasuraman et al (1988), and items specifically developed to reflect the unique nature of the B&B service. In line with the advice of Parasuraman et al (1991), these items were similar in form to existing SERVQUAL items (e.g. they should be general rather than transaction specific) (Parasuraman et al, 1991 p.445). A seven point Likert scale (1, strongly agree, 7, strongly disagree) accompanied the items. A single item measure of value for money was also included. In light of the highlighted criticism of SERVQUAL, this research adopted a performance only measure of service quality. The initial set of items were tested using a sample of 25 respondents and each measure was tested for internal consistency using Chronbach’s alpha (α). Items with low item-construct correlations were deleted or modified where necessary.

The final sample consisted of 115 tourists based in the Kerry region in the south west of Ireland. Approximately 95% of the sample was foreign tourists who came from the USA, the UK, and continental Europe. For the purpose of selection, each respondents had to have visited at least two Shamrock B&Bs during their current. To measure variations in service quality within the Shamrock brand, respondents were asked to rate their perceptions of the B&B service they received during their best and
worst stays with the Shamrock.

**Table 3. Construct Reliability and Unidimensionality (Factor Loadings and α values)**

<table>
<thead>
<tr>
<th>Security</th>
<th>.84</th>
<th>Service Reliability</th>
<th>.87</th>
</tr>
</thead>
<tbody>
<tr>
<td>You felt safe during your stay</td>
<td>.78</td>
<td>Service provision was prompt</td>
<td>.93</td>
</tr>
<tr>
<td>You and your property were treated with respect</td>
<td>.79</td>
<td>When employees promised to do something they did so</td>
<td>.72</td>
</tr>
<tr>
<td>You felt that your luggage was safe during your stay</td>
<td>.72</td>
<td>Employees of the B&amp;B possessed the required skills to provide the service</td>
<td>.77</td>
</tr>
<tr>
<td>Car parking facilities were safe</td>
<td>.75</td>
<td>Employees of the B&amp;B had your best interests at heart</td>
<td>.75</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Empathy</th>
<th>.94</th>
<th>Breakfast</th>
<th>.93</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees of the B&amp;B were always willing to help</td>
<td>.83</td>
<td>Cooked breakfast was served at the right temperature</td>
<td>.79</td>
</tr>
<tr>
<td>Employees of the B&amp;B were friendly and welcoming</td>
<td>.89</td>
<td>Breakfast was plentiful</td>
<td>.83</td>
</tr>
<tr>
<td>Employees of the B&amp;B were approachable to help</td>
<td>.80</td>
<td>Breakfast was attractive and interesting</td>
<td>.86</td>
</tr>
<tr>
<td>Employees of the B&amp;B were always ready to help</td>
<td>.90</td>
<td>Table waiting service was of high quality</td>
<td>.83</td>
</tr>
<tr>
<td>Employees of the B&amp;B were responsive to your complaints</td>
<td>.58</td>
<td>There was sufficient choice on the breakfast menu</td>
<td>.83</td>
</tr>
<tr>
<td>Employees of the B&amp;B were responsive to your specific requirements</td>
<td>.74</td>
<td>Breakfast was freshly prepared</td>
<td>.78</td>
</tr>
<tr>
<td>You received individual attention from employees</td>
<td>.79</td>
<td>Only good quality produce was served</td>
<td>.84</td>
</tr>
<tr>
<td>You felt that your needs and wants were understood</td>
<td>.79</td>
<td></td>
<td>.82</td>
</tr>
<tr>
<td>Employees of the B&amp;B were polite</td>
<td>.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.88</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bedroom/Bathroom</th>
<th>.90</th>
<th>Trust</th>
<th>.95</th>
</tr>
</thead>
<tbody>
<tr>
<td>The bedroom was quiet</td>
<td>.57</td>
<td>When I see a Shamrock advertisement I believe the information is accurate</td>
<td>.71</td>
</tr>
<tr>
<td>Bathroom/toilet was of sufficient size</td>
<td>.80</td>
<td>Shamrock B&amp;B's have the necessary skills to provide a high quality B&amp;B service</td>
<td>.77</td>
</tr>
<tr>
<td>Adequate furniture was provided in the bedroom</td>
<td>.77</td>
<td>The primary goal of the Shamrock is to provide me with an excellent service</td>
<td>.64</td>
</tr>
<tr>
<td>An ample supply of clean toilet requisites was available (e.g. towels, soap, toilet paper etc.)</td>
<td>.55</td>
<td>I know what to expect from a Shamrock B&amp;B</td>
<td></td>
</tr>
<tr>
<td>An ample supply of clean linen, blankets, pillows were provided</td>
<td>.71</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The bedroom was of sufficient size</td>
<td>.85</td>
<td>The Shamrock is dependable</td>
<td>.82</td>
</tr>
<tr>
<td>Furniture and fittings were comfortable</td>
<td>.81</td>
<td>Most of what the Shamrock says about its B&amp;B's is true</td>
<td>.81</td>
</tr>
<tr>
<td>The bedroom was private</td>
<td>.81</td>
<td>Shamrock B&amp;B's are capable of providing me with the B&amp;B experience I am looking for</td>
<td>.85</td>
</tr>
<tr>
<td>The bathroom/toilet was well ventilated</td>
<td>.73</td>
<td>The Shamrock is reliable</td>
<td>.87</td>
</tr>
</tbody>
</table>

Extraction Method: Principal axis factoring

α values given in bolded italics

Each construct was tested for unidimensionality using factor analysis. Principal axis factoring was used as the method for factor extraction. All the factor loadings, displayed in table 3, exceeded .3 as recommended by Hair et al (1995), Child (1990) and Comrey and Lee (1992). Each construct was tested for reliability using...
Chronbach's α, and the cut-off point of 0.7 was exceeded in all cases (Nunally, 1981). Following Hess (1995), respondents were asked to indicate the degree to which they agreed with a number of statements designed to measure consumer trust. A seven point Likert scale (1, strongly agree to 7, strongly disagree) accompanied the statements. Factor loadings and the α value comfortably exceeded the recommended cut-off values.

**Findings**

The data were analysed using SPSS. The first topic to be investigated examined the risk reducing strategies employed by the tourists. Each respondent was asked to score the frequency of use of a number of risk reducing strategies (1, very infrequent use to 5, very frequent use). The results, presented in figure 1, demonstrate the importance of the Shamrock as a brand. Further statistical analysis, using the Wilcoxon signed rank test, supported the hypothesis that, for the population as a whole, the Shamrock is more likely to be used than any of the other cues.

![Figure 1](image)

*The Use of the Shamrock as a Risk Reducing Strategy*

Scale: 1, very infrequent use – 5, very frequent use

Not surprisingly, given the nature of the best versus worst comparison, the findings
show that a quality variation does exist within the Shamrock brand. Despite this, the extent of the variation does not appear to be unduly problematic from a consumer’s perspective (i.e. the worst experiences score above the mid point on the scale). From a bed and breakfast provider’s perspective the extent of the variation is more concerning. Clearly, some providers are delivering a superior product to their guests and may be better rewarded outside the shamrock brand where higher prices can be more readily charged. The inherent danger is one of “exit”, where the better performers leave the brand with consequences for the average level of quality.

Also, the extent of the service quality variation differs across the dimensions. The largest gap was found with respect to value for money which represents an outcome of the consumption experience. Turning to the individual dimensions of service quality, the largest gap was found with respect to the quality of bedroom and bathroom facilities. Despite being a cornerstone of the service provided, this particular element may be difficult to evaluate pre-purchase. Customers may also be slow to change location due to the increased search costs at the time of arrival.

Table 3 Performance Gaps Between Best and Worst Experiences

<table>
<thead>
<tr>
<th>DIMENSION</th>
<th>BEST Experience (Mean)</th>
<th>WORST Experience (Mean)</th>
<th>GAP (Mean)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value for Money</td>
<td>6.63</td>
<td>4.06</td>
<td>2.60</td>
</tr>
<tr>
<td>Bedroom/Bathroom</td>
<td>6.74</td>
<td>4.92</td>
<td>1.55</td>
</tr>
<tr>
<td>Empathy</td>
<td>6.62</td>
<td>5.23</td>
<td>1.39</td>
</tr>
<tr>
<td>Breakfast</td>
<td>6.56</td>
<td>5.26</td>
<td>1.30</td>
</tr>
<tr>
<td>Service Reliability</td>
<td>6.65</td>
<td>5.43</td>
<td>1.22</td>
</tr>
<tr>
<td>Security</td>
<td>6.64</td>
<td>5.88</td>
<td>.76</td>
</tr>
</tbody>
</table>

Scale 1-7 where higher scores represent better performance than lower scores
Note: All gaps (differences) are significant at the 99% level.

It has been argued earlier that the presence of quality gaps within a brand, will have a negative effect on the trust held in that brand. In other words, as the variation in quality increases, trust in the brand will decrease. This was tested using correlation coefficients. The findings are presented in table 4. All correlations display the expected sign. Service, empathy, breakfast, bedroom/bathroom and value for money gaps were all found to be negatively related to trust at the 95% confidence level. This indicates that as the magnitude of these gaps increase, trust in the Shamrock as a brand diminishes, and risks undermining the positioning of the Shamrock
Table 4  Correlation Coefficients between Trust and Dimension Gaps

<table>
<thead>
<tr>
<th>TRUST (Correlation Co-efficient)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Gap</td>
</tr>
<tr>
<td>Service Reliability Gap</td>
</tr>
<tr>
<td>Empathy Gap</td>
</tr>
<tr>
<td>Breakfast Gap</td>
</tr>
<tr>
<td>Bedroom/Bathroom Gap</td>
</tr>
<tr>
<td>Value for Money Gap</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.01 level.
* Correlation is significant at the 0.05 level

Conclusions

This paper set out to investigate the merits of measuring quality variations within a tourism brand, using a performance-only measure of service quality. The central argument is that variations in performance within the Shamrock brand raises two risks for the brand holder, Bord Failte, which could ultimately undermine the value of the brand.

A service brand may be devalued in two ways. The most common view is that under-performance and the reduction in standards by some operators is the most likely cause and, consequently, significant effort is made to ensure that a baseline of standards are met through monitoring activities. However, a frequently neglected view is that the brand can be devalued by the exit of high quality providers. The financial return generated by the Shamrock to the bed and breakfast provider will be related to the level of quality signalled by the brand. This will largely depend on the average quality provided by Shamrock operators as a whole. In the absence of effective monitoring, operators have an incentive to cheat by reducing the quality of the service provided thereby increasing their profitability. One possible outcome of this behaviour is to reduce the quality levels and provide good quality operators with an incentive to seek higher returns outside the Shamrock brand. This study’s findings suggest that there is a substantial variation in service quality within the Shamrock brand. There are some excellent providers and some who are acceptable. However, given the current grading mechanism and the use of the Shamrock as the primary risk reducing strategy, it may be difficult for the better performers to earn the return that their efforts deserve. These operators may have the incentive to leave, thereby devaluing the brand.
The second risk facing the brand holder is that variations in service quality reduces the credibility of the brand as an effective risk reducing strategy. The results of the analysis demonstrate this clearly, with consumers' trust in the Shamrock diminishing as the gap in their experiences widen.

The solution to both these problems is devise an internal grading system within the brand, such as the star system, which is currently in operation in the Guesthouse sector. By introducing an additional quality cue, consumers would be made more knowledgeable about the level of quality on offer, enabling them to select the level of quality they require. It also facilitates the high quality provider charge and justify higher prices for their services.

Application of the best/worst service performance measure helps identify when new grades within a brand should be introduced. Where the performance gaps are large, the usefulness of the brand as a cue is devalued and further segmentation is required. One of the chief aims of the brand manager is to enhance the integrity of the brand. The methodology outlined in this research represents a useful tool in achieving this goal.
References


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