The measurement of customer satisfaction in the private house building sector

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THE MEASUREMENT OF CUSTOMER SATISFACTION IN THE PRIVATE HOUSE BUILDING SECTOR.

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ABSTRACT
This paper considers the measurement of customer satisfaction and quality in new housing. The research so far has identified the fact that customer satisfaction in terms of new housing is more than just the technical quality of the constituent components of a house. Quality in new housing as far as the customer is concerned is very much an overall concept. The research has found when asking purchasers for their overall rating of the quality of their new home that certain service related aspects of the developer could skew the overall rating from very satisfied to very unsatisfied. Whilst there may not be a major difference between the ideas of the developers and those of the customers in terms of technical quality in new housing, it would appear that there is an abyss between the two in terms of perceptions of what contributes overall quality. This perception gap seems to be the problem area, and this gap appears to be more to do with perceptions about service issues than technical issues. This paper looks at some of the ways that other industries have attempted to measure the rather nebulous concept known as customer satisfaction and considers scope for translating them into the housebuilding context. It appreciates this by discussing a range of external issues that have been used outside of construction to interpret quality; and considers their application to defining and measuring quality in new housing.

INTRODUCTION

The paper considers the manner in which other non-construction related industries have looked at the problem of measuring customer satisfaction. This approach has been chosen due to the fact that the private house building industry has more in common with other manufacturing industries and service industries than it does to the commercial contracting sector when considering customer satisfaction. The rationale for this stance is the fact that unlike the commercial contracting sector, house building has multiple customers on the one development and these customers do not have the same contractual relationship and thus rights as commercial clients. This has further been reinforced by the chairman of one of the larger private housing companies as reportedly having stated that his company’s core business is selling houses not building them. The link between manufacturing and housing is therefore a reasonable one; the link between service providers and house building may seem at first a little more tentative.

The initial pilot study conducted in this research surveyed a sample of 120 owners of property up to five years old around the north of Manchester. The response rate of 113 completed questionnaires may be higher than would normally be expected due the fact that the questionnaires were hand delivered to homeowners and hand collected. The
survey asked home owners to give an overall satisfaction rating of the quality of their new home, it then also asked them to rate ten technical items in terms of their individual contribution to their overall satisfaction. There was a surprising non-correlation between the technical items and overall satisfaction, indicating that there were other factors affecting this overall satisfaction score. Homeowners were also asked for other comments, and these comments were the ones that indicated the type of factors that had influenced the overall satisfaction score. These responses were more to do with the service provided by the builder, before, during and especially at and after completion of the purchase of the house. This service focus is the justification for the link with service industries and their attempts to measure customer satisfaction.

There is precedent for this approach, looking at what other industries do even if there at first seems little to connect them is valid. They all have customers, all these customers have their own perceptions about what makes good products/service and these customers buy a variety of services and goods. A senior Motorola executive has been quoted as saying: “[..] the further away from our industry we reach for comparisons, the happier we are.” Clutterbuck et al., (1993). There have been others, for instance Chris Lorentzen of the Association of New Home Owners (ANHO) in his paper ‘A Challenging View of Building Control’ delivered at the Association of Building Engineers 1996 conference in Bournemouth said: “I have drawn on comparisons related to consumer products. A home is a consumer product, albeit a very expensive one.” Thus the comparison of any industry to another can be of some value when considering customer satisfaction. It appreciates this by discussing a range of external issues that have been used outside of construction to interpret quality; and considers their application to defining and measuring quality in new housing.

Is There A Need To Measure Customer Satisfaction in New Housing?

The press release for the results of the Housing Forum and Mori survey into new housing dated 19th October 2000 stated that: “87% were satisfied with their new home: fewer (70%) are satisfied with the service from their housebuilder.” Housing Forum/MORI, (2000). This indicates that there are at least two distinct aspects to the customer perception of quality, product and service. Whilst from these figures it could be argued that the product is nearly there, the service still has a long way to go. Malcolm Pitcher writing in the March 2001 edition of Building Homes says: “The Housing Forum Customer Satisfaction Survey Results for last year indeed portray an industry with a huge quality customer experience debt.” Pitcher, (2001). He goes on to cite three sets of statistics from the report which all point towards the fact that the industry has problems with both the product, but more especially with service aspects. The researcher’s pilot survey found that in some cases the customer could rate all ten ‘technical aspects’ of the house as being good up to very good and still be very dissatisfied with the overall quality; indicative of a potential service problem.

Research done by Kristensen, Martensen and Gronholdt, (2000) in Denmark into customer satisfaction with the Danish postal service, Post Denmark, looked at the European Customer Satisfaction Index (ECSI). The main concepts of the ECSI consider four main areas, image, expectations, perceived quality (hardware) and perceived quality (software). The hardware is considered to be the actual quality of the
What is Customer Satisfaction?

This section of the paper will put forward some suggestions that have been made by others in the field in an attempt to answer to the first question posed in the previous paragraph, the second question, the criteria that need to be considered will be discussed at length in the next section.

It is now universally accepted that customer expectations are rising, and that this phenomenon applies to all industries, from manufacturing to the service providers. As Gruska notes, (in the context of manufacturing), but in a manner which appears to have a greater resonance. Customers expect more than they did in the past: -

“At the end of World War II, we had a seller’s market. Customers were happy just to be able to buy products and obtain services. ‘Quality’ was generally not a decision criterion for purchases. One result of the quality activities of the past two decades is that customers come to expect continual improvement of product and service quality as well as provider responsiveness. Furthermore, there is a crossover of these expectations, to education, healthcare, the public sector etc. These demands will continue.” Gruska, (2000)

The realisation has taken place in the US, and here in the UK it has been recognised, also Disney, (1999) for example comments on the fact that previous ‘take it or leave it attitudes’ are misplaced in the modern competitive domestic markets. He further comments on the need to first of all establish what it is that the customers want, and only then can you go on and meet these expectations. The whole concept of customer
satisfaction is fraught with difficulty; it is subjective and relies on people’s perceptions of what is going on and how they are being treated. Singh and Deshmukh, (1999) say much the same about the Indian domestic market, linking it to the fact that in years to come only the industries that have met the continuing demands of customer will survive. If this offers a message for the UK construction industry? how does it translate into changes in specific construction priorities?

People’s perceptions of facts and situations are notoriously un-reliable; Disney, (1999) quotes some market research done by the supermarket Tesco into customer’s perceptions of waiting times at checkouts. The research found that most customers when questioned directly after they had been served, about the length of time they had waited, perceived that they had waited longer than they actually had. When something is not quite right, we have a tendency to make it seem worse than it actually is in order to emphasise the problem and try to get it corrected. This is to some extent reasonable and often works, but when the public perception of housebuilders, by their own admission is one of mistrust the exaggeration could be greater still.

Research by Richard Eagleton who runs the Design and Marketing division of Wilson Connoly, one of the most highly regarded housebuilders, in an article in Contract Journal March 2001, has highlighted the fact that the public perception of house builders is no better than that of car salesmen; politicians or estate agents! He is quoted as saying:

“We would like to have seen housebuilders emerge with a similar trust status to doctors and mutual building societies, groups that the public views as ‘looking after me.’ Being ranked alongside car salesmen is not where we wanted to be: we’d have liked to have been propelled into stratosphere to get away from them. There is a great opportunity for house builders to get this right. Remember that housebuilding is the last big manufacturing industry in the UK.” Thus the potential for damage arising from one exaggerated bad occurrence can be much greater than may be expected.

The respected team of researchers into customer satisfaction and customer loyalty, Zeithaml, Parasuraman and Berry have cited some pertinent findings in a paper written in 1990 conducted in the US into customer satisfaction/loyalty. In any group of customers, only 4% of those that are dissatisfied actually complain, the other 96% of those who are dissatisfied merely tell on average another 10 people about the experience. Zeithaml et al., (1990). Pitcher (2001) has applied this concept to the Housing Forum figures, and the potentially this is currently happening in the housebuilding industry.

In an attempt to measure of the “quality of goods and services as experienced by those that consume them”. Anderson & Fornell, (2000), they discuss the problem in a paper that considers the American Consumer Satisfaction Index. Anderson & Fornell also say that in the vast amount of research done by teams such as Anderson & Sullivan, (1993); Bearden & Teel, (1983) and others it has been shown that customer satisfaction is a major factor in customer loyalty that produces repeat and recommended business. They claim that: “Satisfied customers can therefore be considered an asset to the firm and should be acknowledged as such on the balance sheet.” Anderson & Fornell, (2000).
Ermer in a paper that looks at customer needs in higher education says: “To better serve customers, it is necessary to have an in-depth understanding of their real and perceived needs. Surveys can play an important role in the process of gathering reliable customer data, but the approach is more passive than active - that is surveys are limited by the questions that they ask.” Ermer, (1995). This serves to demonstrate the universality of the concept of understanding and applying/responding to perceived customer requirements, no matter what the end product or service or combination of both. It is possible by careful selection of questions asked, for an organisation to control the results of a survey and thus gain apparent credibility for a stance on customer’s perceived needs that may be flawed.

These concepts have been acknowledged for several years, in fact they have been considered in respect to the new housebuilding sector. Three years ago Gann et al. suggested the following: “there are few major industries in which consumersi requirements are so poorly catered for. New housing is delivered in a way which largely accommodates the constraints of producers, rather than satisfying the needs and aspirations of consumers.” Gann et al., (1998). Barlow suggests that whilst the housebuilding companies are aware of increased customer demands their response is: “limited to slightly greater choice over fixtures and fittings, faster product redesign, and better systems for dealing with complaints.” Barlow, (1998). It could be argued somewhat cynically, that in the housebuilding sector, what gets measured gets managed and anything else is ignored. Looking at the Housing Forum/MORI poll results there seems to be little positive movement over the last three years in any of the areas identified.

From the available literature it would appear that we do have some reasonably universal concepts about what constitutes ‘Customer Satisfaction’. These concepts are not really new; most have been around since the early 1990s, and are now ten years old. Other industries seem to have picked up the concept and to be producing good improvements in overall customer satisfaction with their products such as British Airways and IBM, Bank (1992). Whilst the same cannot be said for the housebuilding industry in the UK, the US housebuilding industry would appear to have grasped the concept wholeheartedly. Does this indicate a concept that can work when applied to housebuilding?

Malcolm Pitcher quotes the top US housebuilder Estridge Homes saying: “If you are a 500 unit per year homebuilder do you want to end up delivering to 500 different expectations or just one expectation? 500 different expectations is what you get when you don’t take time to communicate with your customers.” Pitcher, (2000). It is only by engaging with customers in real meaningful dialogue can their perceptions and aspirations with regard to a product be fully ascertained. The process, however, is not a ‘one off’ process, it is one that requires leadership from the top and be a continual process. As Buzz Hoffman, the CEO of Lakewood Homes in Chicago says in the same article by Malcolm Pitcher in Building Homes: “A fish stinks from the head. If you’re not seen to be committed then those around you will also not be committed”. Pitcher (2001).

It would appear what is needed is a real desire to identify, quantify and respond to these customer satisfaction perceptions, for the UK housebuilding industry to be reaching the sort of satisfaction results enjoyed by the best US housebuilders. The
2000 survey results (UK/HF) indicate attitudes in the housebuilding industry that show that there is still a certain amount of reluctance to taking this course of action. It would appear that the industry is still unconvinced of the economic benefits of such actions in what they perceive as a seller’s market. This reluctance could be due to the relative monopoly that UK housebuilders enjoy in popular locations. This, along with a situation of over demand for new housing, is a major potential disincentive for the builders to change their attitude towards customer satisfaction perceptions.

**How Should Customer Satisfaction Be Measured?**

Customer satisfaction is intrinsically linked with quality and so we will look at the measurement of quality first. It is generally accepted that it is easier to measure the product aspect than the service component of quality, (Crosby 1979; Garvin 1983; Parasuraman et al, 1985). The measurement of quality has been a subject of much debate over the years. J. F. Early, president of the Juran Institute wrote in 1991 that: “Quality improvement without measurement is like hunting ducks at midnight without a moon – lots of squawking and shooting with only random results and with a high probability of damage.” Early, (1991). He then goes on to acknowledge that whilst the measurement of physical processes is relatively easy, the apparent difficulty with measuring the subjective area of service is not due to a lack of established practice in the measurement of services.

These comments are further confirmed when one considers the findings of Al-Nakeeb et al., who interviewed the QA managers of eight well-known ISO 9000 accredited UK national contractors at length. They found that when asked what evidence they had that the systems were working, “None of the interviewed managers had such evidence based on objective measures, apart from their perceptions of the system’s effectiveness. Also none of the interviewed companies had developed any measures, nor knew of any available, to assess objectively the effectiveness of their QA systems”. Al-Nakkeb et al., (1998). These are the management aspects, the ‘soft/service aspects’. Currently, buildings may be constructed with less defects than previously, (the ‘hard aspects’), which is relatively easy to measure, but is this due to the QA system or due to chance? More to the point, does this translate to increased customer satisfaction anyway? The soft/service aspects that would help to furnish some of the answers were not measured, nor even claimed to be measurable with any of the known systems. This is in the sector of the construction industry that has supposedly accepted the concept of quality improvement, consider for example the Construction Industry Board/Building report entitled: ‘The Improving Performance of the UK Construction Industry’ published for National Construction Week in April 1999. The report stated that the commercial/contracting sector of the industry had improved quality performance in terms of overall customer satisfaction by 16% since 1995. This then begs the following question how reliable is this figure of a 16% improvement, when even the ‘major players’ in the industry say that they do not have systems in place to measure the effectiveness of their own quality management systems (Al-Nakkeb et al)?

It also shows the importance of the ‘soft issues’ (see Kristensen et al), without a robust method of measuring these issues then the whole concept of measuring quality and quality improvements, becomes unreal. These ‘soft issues’ are the basis on which customers make their decisions as to whether the overall quality of a product is good
bad or indifferent. These are individual’s perceptions of what has happened and how they were treated during the transaction between the customer and the supplier of goods or services. This is what we will refer to as ‘service quality’ for this discussion, and it has been defined as: “the extent of discrepancy between customer’s expectations and their perceptions.” Parasuraman et al., (1985).

**Soft Issues in Quality**

These ‘soft issues’ include terms such as perception, attitude, satisfaction, judgement, experience and expectation; these are all terms that are definable in psychological terms. They are all ‘human factors’, and as most humans are different it is quite possible for each of these factors to be seen differently by each person. Deming in his writings always remained loyal the following 14 points to be adopted by any organisation if they wanted to follow his teachings, (he may have changed the words dependant on feedback received.)

1 Deming’s fourteen points: - 1. Create constancy of purpose towards improvement of product and service, with the aim to become competitive, stay in business and provide jobs. 2. Adopt the new philosophy – we are in a new economic age. Western management must awaken to the challenge, learn their responsibilities and take on leadership for future change. 3. Cease dependence on inspection to achieve quality. Eliminate the need for inspection on a mass basis by building quality into the product in the first place. 4. End the practice of awarding business on the basis of the price tag. Instead, minimise total cost. Move towards a single supplier for any one item on a long-term relationship of loyalty and trust. 5. Improve constantly and forever the system of production and service, to improve quality and productivity, and thus constantly decrease cost. 6. Institute training on the job. 7. Institute leadership (see point 12): the aim of supervision should be to help people, machines and gadgets to do a better job. Supervision of management, as well as supervision of production workers, is in need of overhaul. 8. Drive out fear, so that everyone may work effectively for the company. 9. Break down barriers between departments. People in research, design, sales and production must work as a team, to foresee problems of production and problems in use that may be encountered with the product or service. 10. Eliminate slogans, exhortations and targets for the workforce which ask for zero defects and new levels of productivity. Such exhortations only create adversarial relationships, as the bulk of causes of low quality and low productivity belong to the system and thus lie beyond the power of the workforce. 11a. Eliminate work standards (quotas) on the factory floor; substitute leadership. 11b. Eliminate management by objectives, by numbers, and by numerical goals; substitute leadership instead. 12a. Remove barriers that rob the hourly worker of his her right to pride of workmanship. The responsibility of supervisors must be changed from sheer numbers to quality. 12b. Remove barriers that rob people in management and in engineering of their right to pride of workmanship. This means, *inter alia*, abolishing the annual or merit rating and management by objectives. 13. Institute a vigorous programme of education and self-improvement. 14. Put everyone in the company to work to accomplish the transformation. The transformation is everybody’s job. McCabe (1998)
In trying to extend this concept beyond manufacturing he came up with the concept of a System of Profound Knowledge (SPK). Item four of four in SPK is the understanding of psychology, and in this means the psychology of the customer, Gruska (2000).

As Parasuraman et al (1988) points out, researchers such as Garvin (1983); Dodds & Monroe (1984); Holbrook & Corfman (1985); Jacoby & Olsen (1985); Zeithaml (1987) have each made distinctions between what has been called “objective and perceived quality”. It is within these soft issues that yet another problem appears in terms of quality research, Parasuraman et al (1988) note that according to Holbrook & Corfman (1985), “Consumers do not use the term quality in the same way as researchers and marketers, who define it conceptually.” Parasuraman et al (1988). It would, therefore, seem that we should look consider the common and psychological definitions of these ‘soft issues’; they may hold the key to being able to measure customer satisfaction.

**Perception and Quality Issues**

The Oxford Dictionary defines perception in six ways, the one that would seem to be best linked to quality of products and services is: “..an interpretation or impression based on one’s understanding of something.” Oxford English Reference Dictionary (1996). This would imply that some basic knowledge or information about the product or service is both available and comprehensible. According to some psychologists, “perception cannot occur in the absence of sensation, but the sense-data constitute only the ‘raw material’ from which our conscious awareness of objects is constructed. So, to the extent that we perceive the world as it really is, we do this indirectly, through analysing, interpreting and trying to make sense of sensations.” Gross (1987). This passage again indicates the need to provide some form of tangible, but takes the process a little further by qualifying the fact that the tangibles are not absolutes in their own right, but are themselves subject to personal interpretation.

The following two psychological definitions of perception help to illustrate this point well: “perception is not determined simply by stimulus patterns; rather it is a dynamic searching for the best interpretation of the available data......perception involves going beyond the immediate given evidence of the senses.” Gregory (1966); “the process of assembling sensations into a useable mental representation of the world.” Coon (1983). There is no reference to what one could describe as ‘reality’, but to personal interpretations of available data and useable mental representations. Gross also paraphrases Ornstein (1975) saying: “..we do not perceive objective reality but, rather, our construction of reality; our sense organs gather information which the brain modifies and sorts and this ‘heavily filtered input’ is compared with memories, expectancies and so on until, finally, our consciousness is constructed as a ‘best guess’ about reality. Gross (1987).

How does this relate to Quality in New Houses? It would appear, that perceptions of the ‘real world’ might be governed by past experiences, however faint, that have left some memory trace. The impressions made by current stimuli however accurate or inaccurate they may be interpreted and our state of mind at the time we make these judgements. If this is then applied to the quality aspect of goods or services, we find similar ideas, for instance Parasuraman et al from work done by Zeithaml in 1987 say:
“Perceived quality is the consumer’s judgement about an entity’s overall excellence or superiority.” Parasuraman et al (1988). Perception is therefore about making judgements based on external factors that have and do affect the way we ‘see’ things. In perceptions about quality, the external factors that affect judgement may be the key to measuring perceived quality. If these factors could be identified their effects could then be measured. Once they have been identified, they could be modified, which may then modify a person’s perception of quality. This could be a significant issue in ‘Perceived Quality’ in new houses.

**Attitude and Quality Issues**

The Oxford Dictionary defines attitude in six ways, and the one that would seem to be best linked to quality of products and services is: “a settled opinion or way of thinking.” Oxford English Reference Dictionary (1996). There appears to be no single definition that all psychologists would agree upon, they do however debate the interchangeability of the terms attitude, belief and values, and according to Gross, “While most adults have will have many thousands of beliefs, they have only hundreds of attitudes and a few dozen values.” Gross (1987). What then affects these concepts, Gross goes on to say that: “Finally it is important to make the point that attitudes, beliefs and values are hypothetical constructs and cannot be directly measured or observed but must be inferred from behaviour, including responses to tests and questionnaires. Also, they are all learned through interaction with the social environment.” Gross (1987).

There is, however, a concept well known in psychological circles, where attitude can become a clouded issue. “Cognitive dissonance is an emotional state set up when two simultaneously held attitudes or cognitions are inconsistent or when there is a conflict between belief and overt behaviour.” Reber, (1995). Psychologist Leo Festinger suggested in his Cognitive Dissonance Theory that the natural desire for cognitive constancy could give rise to changes in attitude that could be considered irrational or abnormal in order to eliminate this cognitive dissonance. In the new house context this may manifest itself when someone that has bought an expensive house finds out that they do not really like it, however, when asked about the house say that it is wonderful. In this way they are able to balance the strong initial desire to buy the house with the actuality of living there, resulting in an inconsistent/untrue attitude towards the house Brehm & Kassim (1996).

The fact that the way in which attitudes are formed is through interaction with the social environment is interesting; it correlates well with perception in this aspect. Attitude is formed by experience of life, possibly from parental or peer group interaction, this again could be affected by modifying these external factors.

Research done by Olshavsky (1985) and Holbrook (1985) and reported by Parasuraman et al (1988) suggests that quality forms a global value judgement that has similarities to attitude. They then go on to say that in research done by themselves with 12 focus group interviews with service consumers and reported in 1985, that: “comparison of the findings from the focus groups revealed that, regardless of the type of service, customers used basically the same general criteria in arriving at an evaluative judgement about service quality.” Parasuraman et al (1988).
This may at first sight conflict with the previous discussion about attitudes being personalised experiences. But, when the attitudes concern everyday services, there is often an interchange of views between people regarding these services and thus it may be that the attitudes to common everyday services are an amalgam of people’s views and thus the criteria they use for judging these services will be similar. Major purchases such as new houses are not a common everyday type of occurrence, and thus there is not the same level of interchange of views. Purchasers are left to construct their own attitudes from whatever previous experiences they have. According to Olshavsky, Holbrook and Parasuraman, it will, however, be some external factor/factors that will be the controlling factors that will eventually form a person’s attitude towards quality and quality assessments.

**Satisfaction and Quality Issues**

The Oxford Dictionary defines satisfaction in five ways, and the one that would seem to be best linked to quality of products and services is: “*a thing that satisfies desire or gratifies feeling.*” Oxford English Reference Dictionary (1996). The Penguin Dictionary of Psychology defines satisfaction as: “*An emotional state produced by achieving some goal.*” Reber (1995). These two definitions are very similar, in that they suggest that this concept is brought about by some external factor that enables an inner wish or desire to be realised.

Richard Oliver who has conducted research into satisfaction in retail situations defines satisfaction as follows: “…*summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the customer’s prior feelings about the consumption experience.*” Oliver (1981). In this case again, the psychological state is subject to external factors and previous experiences, and is related specifically to this occurrence. It has been shown that satisfaction with individual occurrences may not have a positive effect on overall customer satisfaction; “*satisfaction soon decays into one’s overall attitude towards purchasing products.*” Oliver (1981).

Once again we have external factors that influence the overall feeling of satisfaction produced by a product or service and this feeling again could be affected by modifying the external factors.

**Judgement and Quality Issues**

The Oxford Dictionary defines judgement in six ways, the one that would seem to be relevant here is: “*The critical faculty: discernment.*” Oxford English Reference Dictionary (1996). A second and possibly better definition is: “*Generally, the process of forming an opinion or reaching a conclusion based on the available material.*” Reber (1995). Once again the definition revolves around external factors, the available material. Judgement is essential in arriving at a measure of satisfaction or quality, the critical evaluation of the external factors that the subject considers that affect satisfaction or quality. Once again if we consider that once identified, these factors if modified could affect the judgement of the individual in terms of satisfaction and quality.
Experience and Quality Issues

The Oxford Dictionary defines experience in four ways; the one that would seem to be relevant here is: “actual observation of or practical acquaintance with facts or events.” Oxford English Reference Dictionary (1996). Reber suggests that it is: “the sum total of knowledge accumulated.” Reber (1995). From these definitions it would appear that this is what memories are made from, the sum of stored occurrences in the conscious/unconscious mind that can be retrieved to help shape judgements on new occurrences. In terms of quality of product or service we use ‘experiences’ from the last time we purchased a product or service to judge how good or bad this current occurrence is. Once again we have external factors that shape this concept, again capable of a certain amount of modification and thus control. Here in particular is an issue for housebuilding: that it is the inherent experience and expertise of the client base.

Expectation and Quality Issues

The Oxford Dictionary defines expectation in four ways, the one that would seem to be relevant here is: “something expected or hoped for.” Oxford English Reference Dictionary (1996). Reber comes up with much the same definition: “The anticipated outcome of a probabilistic situation.” Reber (1995). From these definitions expectations are the feelings that we have on entering into an occurrence. Expectations can be wild or sensible, but they are the mechanism that allows us to subject ourselves to experiences without fear of harm. They are based on experiences from the past and other stored knowledge that can be called upon to present a picture of what we might expect if we take a certain course of action.

The term expectation has been considered by many researchers in the quality field, in customer satisfaction literature: “expectations are viewed as predictions made by consumers about what is likely to happen during an impending transaction or exchange,” whilst the service quality literature has a different approach: “expectations are viewed as desires or wants of customers, i.e., what they feel that a service provider should offer rather than would offer.” Parasuraman et al (1998). There appears to be a significant difference here, but there are parallels with the perceived glass half empty against glass half full scenario used in attribute framing by psychologists such as Aaron Beck. The expectations about what is likely to happen could be based on previous experiences which may be good or bad but indicate a previous low to medium level of satisfaction. The expectations about what should happen could be based on experience of previous medium to high levels of satisfaction. Whatever way you choose to consider expectations, once again it is evident that they are affected by external factors that can be identified, modified, and thus, expectations can be modified.

Discussion

The common theme that comes from all of these terms is that they are dependant on external factors of one sort or another. Thus perceived quality could be said to be dependant on external factors. Perceived quality and customer satisfaction are themselves related directly to customer evaluation and are thus not directly measurable, Anderson & Fornell (2000). The external factors that affect perception
etc., once identified are capable of being measured and controlled, and thus indirectly we could be able to measure perceived quality.

For example Torbica and Stroh have conducted research into homebuyer satisfaction in the US, they concluded that: “There are, however, no commonly accepted methods of measuring customer satisfaction in the construction industry.” Torbica & Stroh (2000). This correlates with other researchers such as Anderson and Fornell (2000) in their views on the measurement of customer satisfaction. Torbica & Stroh also concur that homebuyer satisfaction is a product of both product and service: “Every product and service must be designed, produced and delivered in the context of a total package of products and services—it is the ‘total offering’ that generates the total degree of customer satisfaction. This is important to emphasize, for far too often home builders have only looked at the core offering (‘we are building houses’) and have overlooked the service part of their offering.” Torbica & Stroh (2000). In this respect the US industry seems to have some common ground with the UK industry. In the development of their instrument for the measurement of homebuyer satisfaction, Torbica & Stroh considered many of Parasuraman and his colleague’s concepts of service quality. They state that: “It is seldom clear which attributes of a product and service are important to a customer and how those attributes are related to satisfaction.” Torbica & Stroh (2000).

So, how does this relate to measuring quality and customer satisfaction in new houses? The only way quality can be systematically improved is by first finding out what it is that the customer thinks is important in their new home buying experience Bank (1992). This is a core concept in TQM, satisfying customer requirements, and the only way to do this is to find out what it is that the customer wants.

**The Way Forward?**

If the industry can fully identify the customer requirements, it can then identify the external factors that are effecting the customer’s judgement and perception of the quality of their new home. Once these factors are identified it can modify them to produce an improvement in customer satisfaction. Is it a matter of improving absolutely – or increasing the correspondence in terms used? This may be still some way off, dependent on finding out what it is that the customer feels is important to them and why. This will identify the factors that have affected the customer’s perceptions and attitudes towards quality in new homes. Instead of asking customers to rate other researchers and industry criteria in terms of importance, this research is asking customers to firstly identify their own criteria and then to rank them in terms of their importance to that customer. It is hoped that in this way some of the external factors that are identified will be relevant and this would move away from; “there are few major industries in which consumers’ requirements are so poorly catered for. New housing is delivered in a way which largely accommodates the constraints of producers, rather than satisfying the needs and aspirations of consumers.” Gann et al., (1998). This will then go towards helping to establish some basic criteria against which can be used to help to measure customer satisfaction and thus quality in the private house building sector.
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