Convention outsourcing: An examination of outsourcing benefits and service quality of convention services outsourced for association meetings

Hee Jung Ro
University of Nevada, Las Vegas

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CONVENTION OUTSOURCING: AN EXAMINATION OF OUTSOURCING BENEFITS
AND SERVICE QUALITY OF CONVENTION SERVICES OUTSOURCED FOR
ASSOCIATION MEETINGS

by

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Bachelor of Science
Kyung Hee University, Seoul, Korea
1999

A thesis submitted in partial fulfillment
of the requirements for the

Master of Science in Hotel Administration Degree
William F. Harrah College of Hotel Administration

Graduate College
University of Nevada, Las Vegas
May 2003

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Thesis Approval
The Graduate College
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The Thesis prepared by
Hee Jung Ro

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and Service Quality of Convention Services Outsourced for
Association Meetings

is approved in partial fulfillment of the requirements for the degree of
Master of Science in Hotel Administration

Examination Committee Chair

Dean of the Graduate College

Examination Committee Member

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Graduate College Faculty Representative
ABSTRACT

Convention Outsourcing: An Examination of Outsourcing Benefits and Service Quality of Convention Services Outsourced for Association Meetings

By

Hee Jung Ro

Dr. Curtis Love, Examination Committee Chair
Assistant Professor of Tourism & Convention Administration
University of Nevada, Las Vegas

This study examined outsourcing benefits and service quality of convention services outsourced for association meetings. An on-line survey was e-mailed to 1,790 association meeting planners and 253 responses were used for data analysis.

Six convention services were identified to have significant impact on overall outsourcing benefits. It provides meeting planners with guidance concerning which convention services are most appropriate for deploying outsourcing decisions. Also service quality of outsourced convention services was examined and identified some problem areas in this study. An awareness of this service quality issue of outsourced services assists the association meeting planners in ensuring that suppliers of services perform effectively and helps service providers in meeting their clients' expectations. Also, two categories of outsourcing benefits were identified and the differences by association size were examined in this study. Strategic benefits...
were achieved by large or small associations and economic benefits were achieved more by small associations.
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CHAPTER I

INTRODUCTION

The meeting and convention industry has grown rapidly during the last twenty-five years. Outsourcing is increasingly popular as a meeting management resource among associations. Associations outsource a wide range of activities to plan, promote and execute their meetings and conventions. According to the Professional Convention Management Association (PCMA) Annual Member Survey (2001), outsourcing is one of the most important issues that association meeting planners face in the convention industry.

Outsourcing, in general, is defined as "the procurement of products or services from sources that are external to the organization (Lankford & Parsa, 1999, p.310)." For services, outsourcing usually involves the transfer of operational control to the outside suppliers. In the current economic environment of right-sizing, and a renewed focus on core activities, organizations can no longer assume that all organizational services must be provided and managed internally. Competitive advantage may be gained when services are produced more effectively and efficiently by outside suppliers (Lankford & Parsa, 1999).
For many associations, conventions are key revenue generators that support an expanding array of programs and membership values. According to the Convene's 11th PCMA Annual Meeting Market Survey, income from conventions, exhibitions, and meetings account for 33.2% of association revenues. Other revenue sources include membership dues (39.3%), publication and advertising (12.4%), and other (15.1%) (Shure, 2002). Therefore, associations face the challenge of continually improving the content and appeal of the conventions. However, there are performance problems that are familiar to many association executives as described in an article in Association Management:

- "Our major convention operated at a deficit and had to be subsidized by member dues and other revenues."
- "Year-to-year attendance was flat or shrinking, as were exhibitor revenues."
- "The convention was national in name only. In fact, many members were indifferent, and the event drew largely from the surrounding region. As a result, moving the convention to a new location each year was a necessity."
- "Internally, we were too isolated to have a sufficient grasp of why conventions might fade, why they lost money or what they should cost to produce, or why member became indifferent." (McDermott, 2001, p. 64).

McDermott recommended outsourcing as a strategic management tool to reach goals and objectives and foster a growing and profitable convention. He also stated, "In confronting that challenge, association executives need to question the value of supporting internal capabilities that can be purchased - readily and more cost-effectively - in the market place (McDermott, 2001, p.64)."
The American Society of Association Executives (ASAE)
Foundation study, "Facing the Future: Preparing Your Association
to Thrive," identified 14 inter-related trends in association
management and outsourcing was one of them. The panelists
asserted that associations are using outsourcing more and more to
respond to the following factors:

- The need for greater expertise and a highly qualified work
  force in specialized areas, such as information management,
  accounting, and administration;
- The need to reduce costs -- services often can be provided
  less expensively and faster out-of-house; and
- The need to better leverage existing resources by focusing
  staff on core functions most vital to creating value for
  their members. Associations will increasingly outsource
  many of the "noncore" functions traditionally performed by
  staff. As a result, staff can be leaner, more flexible, and
  more focused on the key activities that create value for
  their members (Convene, 1998).

Generally, services outsourced for association meetings and
conventions are tradeshow management, marketing and promotion,
housing, registration, and floor management (Table 1).

With the increasing trend toward outsourcing of meeting
service activities, a wide range of activities is outsourced by
external service providers. The Professional Convention
Management Association (PCMA) Ad Hoc Committee issued the "PCMA
defined a third party as any service provider that is compensated
by acting as an agent for another supplier. The role can
encompass facilitating, recommending, and contracting services on
behalf of an end user. Third party providers can include, but
are not limited to, housing and registration companies, site

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search and meeting management companies, travel agencies, trade show decorators, convention centers and hotels (Connell, Chatfield-Taylor, & Collins, 2002).

Table 1 Types of Convention Services Outsourced

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>Increase (Growth rate)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All</td>
<td>Part</td>
<td>None</td>
</tr>
<tr>
<td>Tradeshow Management</td>
<td>7%</td>
<td>11%</td>
<td>82%</td>
</tr>
<tr>
<td>Marketing and Promotion</td>
<td>4%</td>
<td>16%</td>
<td>80%</td>
</tr>
<tr>
<td>Housing</td>
<td>31%</td>
<td>13%</td>
<td>56%</td>
</tr>
<tr>
<td>Floor Management</td>
<td>10%</td>
<td>18%</td>
<td>72%</td>
</tr>
<tr>
<td>Registration</td>
<td>17%</td>
<td>14%</td>
<td>69%</td>
</tr>
</tbody>
</table>


Larcity and Hirschheim (1993) state that a concern is organizations that naively “jump on the outsourcing bandwagon” in an attempt to achieve cost savings. Such organizations may not have put enough strategic thought or adequately evaluated the feasibility of outsourcing before committing themselves to an agreement. This may lead to dissatisfaction with an outsourcing arrangement, especially when anticipated benefits are not realized.

For outsourcing to be successful, the decision needs to be an informed one. It is important to examine factors that contribute...
to successful outsourcing arrangements as this can give some insight into the strategic effectiveness of convention outsourcing as a management tool in today’s competitive environment.

Research Justification

Outsourcing has been studied as a management issue in various business environments such as manufacturing, information technology (IT) management, government institute privatization, and human resources management. Traditionally, outsourcing is viewed as a ‘make-or-buy’ decision issue and focused on outsourcing reasons, decision criteria, advantages and disadvantages, and transaction cost analysis (Jennings, 2002; Blumberg, 1998; Fill & Visser, 2000; Fan, 2000; Klaas, McCledon & Gainy, 1999). However, most of this empirical work for outsourcing framework has been in the context of manufacturing industries. The nature of a service industry may complicate the decision making. So several studies attempted to develop or modify outsourcing decision framework in the general service sector (Kotabe & Murray, 2001; Chandra, 1999).

Recently, one of most growing service outsourcing is information systems. A significant number of articles have been issued on the subject of information technology outsourcing, emphasizing the benefits and the strategic implications (Costa, 2001; Grover, Cheon & Teng, 1996; Loh & Venktraman, 1992).
An underlying assumption being made in almost all of these publications is that outsourcing can, by itself, reduce costs of service and improve efficiency. The convention industry has been practicing outsourcing broadly and it is one of the most important innovative issues for cost saving, better management and value enhancement for the association by improving member service. However, examination of convention outsourcing has not attracted researcher's attention. In addition, while the literature contains numerous anecdotal suggestions for outsourcing success, relatively few studies have provided in-depth empirical examination of outsourcing benefits and service quality in the convention industry.

Statement of the Problem

Associations are under pressure to provide additional services or employ expensive new technologies - often in circumstances when resources (e.g. dues income) are harder to come by and competitors are becoming more aggressive (Lang, 2000). Today, outsourcing is not a choice but a required decision to improve member service by enhancing the content and appeal of convention (Mcdermott, 2000). Current trends clearly indicate that it is necessary to assess outsourcing success and service quality in the convention industry. In particular this study examines:

1. The relationship between the convention service outsourcing and its success in terms of achieving outsourcing benefits;
2. How service quality of the outsourcing providers influence on this relationship between the degree of outsourcing and the success of outsourcing;

3. How outsourcing services meet the expectations of meeting planners in terms of service quality.

Objectives of the Study

The purpose of this study is to examine the relationship between convention service outsourcing and its success. Then, the effect of service quality on this relationship is explored. Also, service quality of outsourced services is examined.

In the context of outsourced services, Grover, Cheon & Teng’s (1996) research model was adopted and modified to examine convention outsourcing. Grover Cheon & Teng’s research model describes information system outsourcing success and the influence of service quality and partnership. Based on the result of the first pretest of the model with convention professionals, the partnership variable was excluded, and outsourcing success and service quality became the focus. The modified research model is illustrated in Figure 1, and hypotheses are stated below.
Hypotheses

H 1: The degree of outsourcing is positively related to the success of outsourcing.

H 2: The relationship between the degree of outsourcing and the success of outsourcing is moderated by the level of service quality.

H 3: There is difference between importance and performance of the service quality of the outsourced services.

Variables

- Degree of Outsourcing: the sum of the usage of outsourced convention services
- Success of Outsourcing: overall satisfaction with achieved outsourcing benefits
- Service Quality: overall discrepancy between importance and performance of the outsourced services
Significance of the Study

The outsourcing of convention services for competitive advantage is an issue confronting associations in their management of conventions. By conducting empirical research, this study will increase managerial understanding of the key issues for better management of convention services.

The results of this study will assist meeting planners to make decisions on outsourcing convention services by understanding the relationship between outsourcing and its success. This will help associations hold successful conventions that will attract more attendees and generate more new members with a positive impact on revenue. This study also will allow the outsourcing service providers to understand association meeting planners' needs and provide them with implications of service quality improvement.

Delimitations of the Study

The following are constraints and restrictions placed on this research.

1. This study is limited to associations' annual meeting and convention. It remains to be seen whether the findings can be generalized to all organizations that outsource convention services for all types of conventions.

2. It should be recognized that the success of outsourcing focuses only on benefits (advantages) from outsourcing of convention services. The real success of outsourcing may depend on both benefits and risks. However, this study does not
investigate risks (disadvantages) from outsourcing for outsourcing success.

Definitions

Outsourcing: the procurement of convention services from sources that are external to the association.

Convention: A broad term that can refer to a large meeting, an exhibition, or a combination of the two (Krug, 2000). In the present study this term embrace meetings, conferences, and conventions. This comprehensive definition is based on the industry’s use of the term.

Association: An organized group of individuals and/or companies who band together to accomplish a common purpose, usually to provide for the needs of its members. Usually nonprofit (Krug, 2000).

Member service: "values and benefits members derive from participating in meetings and conventions (McDermotte, 2001, p.65)."

Convention services: services provided by external vendors that could involve various functions of an association’s meetings and convention management. The present study used 13 items: 1) Housing, (2) Registration, (3) Marketing and promotion, (4) Tradeshow management, (5) Catering off-site events, (6) Travel agency, (7) Ground transportation, (8) Information system management (E-mail Station), (9) Site selection, (10) Meeting
management, (11) Tour program, (12) Special events (Entertainment), and (13) Audio-visual management.

Degree of outsourcing: the extent to which convention services are outsourced.

Success of outsourcing: the overall satisfaction with benefits from outsourcing by an organization as a result of deploying an outsourcing strategy.

Service quality: the discrepancy between the importance and performance of the outsourced convention services.

Strategic benefits: the benefits for association to (1) focus on its core activities, (2) enhance member service, and (3) reducing liability concern.

Economic benefits: the benefits for an association to (1) reduce operating costs and (2) avoid capital expenditure.

Operational benefits: the benefits for an association to (1) gain access to experts, (2) better manage the activities during the meetings, and (3) enhance flexibility of internal staff.

Organization of the Paper

The paper is organized into five major sections. In Chapter I, an overview of convention outsourcing is presented, followed by the research justification, research problem, research model and hypotheses, delimitation, and definitions of concepts relevant to study.

In Chapter II, the literature on the variables relating to the theoretical foundation supporting adoption is reviewed. At the
end of the chapter, research hypotheses related to adoption are restated and research variables are described throughout the literature review.

In Chapter III, the research design and research method of this study are discussed. The questionnaire development and survey design are presented, followed by sampling and survey procedures. Survey results are reported including response rate, samples characteristics, and non-response bias.

In Chapter IV, the results of the research design and methodology are presented and analysis of data is discussed. Descriptive statistics for the variables, reliability and validity issues are described, and the hypotheses are tested. Also, additional findings are reported.

In Chapter V, the conclusions and implications of findings are offered with respect to research summary, discussions and implications, limitations, and suggestions for future research.
CHAPTER II

LITERATURE REVIEW

Introduction

The objective of this literature review is to understand better the concept of outsourcing and a synthesis of existing studies conducted on outsourcing. This review will concern outsourcing frameworks, strategic outsourcing, reasons for outsourcing, advantages and disadvantages of outsourcing, degree of outsourcing, outsourcing success and benefits, and service quality. Then, the research hypotheses are restated and variables are described.

Outsourcing Frameworks

Outsourcing has been in continuous use in numerous industry sectors since it became popular in the latter half of the 1980s and early 1990s in the emerging service sector. The evolving literature on outsourcing has been concerned with "make-or-buy", or "in source - out source" decisions in relation to the behavior of organizations and transaction cost economics. Based on transaction cost theory, several researchers were devoted to establishing outsourcing decision making frameworks.
In the context of make-or-buy decisions, much of the focus of the past literature has been on transactional economies. Ronald Coase (1937) first demonstrated that under certain conditions it is more efficient for a firm to create and use an internal market, rather than incur prohibitive transactions costs of an outside market. Subsequently, this formed a basis for the development of the transaction cost analysis (TCA) framework, which has dominated the literature on make-or-buy decisions (Williamson, 1975). Williamson's (1975) transaction cost theory is commonly used to analyze organizational decisions on outsourcing and interpret outsourcing decisions. The transaction cost analysis framework has received much empirical support to substantiate its explanatory power in the context of make-or-buy decisions (Jennings, 2002; Blumberg, 1998; Fill & Visser, 2000; Fan, 2000; Klaas, McCledon & Gainy, 1999; Fernie, 1999).

While the transaction cost analysis incorporates transactional economies and technological economies as bases for making the make-or-buy decision, it fails to incorporate various market imperfections and other motives to integrate, [e.g., extension of market power (Caves & Porter, 1977), drive for unambiguous control, and avoidance of conflicts with partners (Contractor & Lorange, 1988).] Furthermore, much of this research has focused on manufacturing activities to the neglect of the service industry.

Historically, cost reduction took center stage as companies sought short-term solutions from outsourcing and received
equivalent tactical cost saving benefits. However, the market has turned and outsourcing is no longer exclusively about cost saving. Today, outsourcing is viewed as an essential revenue and growth strategy (Casale, 2003). The strategic outsourcing literature suggests that the outsourcing of goods and services should be integral to an organization's overall strategy formulation process (Quinn, 1999). Several studies in outsourcing attempted to incorporate this strategic point-of-view in outsourcing decision frameworks.

In the context of outsourcing of services, Chandra (1999) examined two of the most widely quoted issues pertaining to outsourcing of services; how to decide what services to outsource and how to structure a relationship with the vendor of the service. Chandra presented a modified framework for the make-or-buy decision by incorporating the unique natures of service such as intangibility, inseparability, heterogeneity, and perishability.

Blumberg's study (1998) presented outsourcing decision-making process, which provides quantitative processes and procedures for determining the optimum strategic outsourcing solution. A strategic approach for evaluating the decision to outsource was emphasized, and outsourcing decision criteria was presented. Those outsourcing factors were: customer view of function, capabilities and physical assets to perform function, technological requirement, world-class ability, performed and delivery capabilities versus competitive alternatives, time and
cost required to close performance gaps, and long-term commitment. In essence, the strategic approach to determine the optimum outsourcing is to improve general efficiency, effectiveness and reduce costs. By presenting a conceptual outsourcing decision making framework, Blumberg (1998) suggested a strategic assessment and evaluation of the options and alternatives.

Fill & Visser (2000) developed a composite outsourcing decision framework that brings together the key decision criteria that managers need to regard when making outsourcing decision. The framework consists of three main components, which are contextual factors, strategy and structure, and transaction costs. Then, a case study of a manufacturing organization was presented to illustrate the efficacy of this approach.

Strategic Outsourcing

As shown, most research on outsourcing has focused on the decision making process based on reasons and motivations to outsource. The strategic literature emphasizes that the reasons for outsourcing has changed from primarily cost disciplines to strategic re-positioning, core competence enhancement, greater service integration, and higher value creation through a combination of internal core competencies and outside suppliers' strengths (Quinn, 1999; Kotabe & Murray, 2001).

As organizations redirect valuable internal skills and capabilities to high value-added activities, the outsourcing
debate has moved from whether to outsource, to what and how to outsource (Venkatraman, 1997). Scholars adopting the strategic perspective and practitioners adopting conventional wisdom argue that core activities should stay in-house, while non-core activities can be outsourced, in order to preserve core competencies (Larcity, Willcocks & Feeny, 1996; Quinn & Hilmer, 1994). Some regard core activities as core competencies, namely those activities that the firm is continuously engaged in, while peripheral activities are those that are intermittent and therefore can be outsourced (Quinn & Hilmer, 1994).

Quinn and Hilmer (1994) focused on strategic outsourcing. By strategically outsourcing and emphasizing a company's core competencies, managers can leverage their firm's skills and resources for increased competitiveness. They defined that core competencies are the activities that offer long-term competitive advantage and thus must be rigidly controlled and protected. In their study, the authors suggest ways to determine what those core competencies are and which activities are better performed externally. They assess the relative cost and risks of make-or-buy decision and present methods for containing risks while enjoying the benefits from their dual approach.

In the context of convention management, McDermott (2001) described the strategic outsourcing as following:

Strategic outsourcing does not mean simply delegating convention planning management to an outside vendor. It does mean identifying the functions best performed by internal staff and those for which outsourcing offers
substantial advantages and opportunities. It also means recognizing that association conventions must vie for sophisticated exhibitors against savvy, for profit trade shows. In today's competitive landscape, return on investment - not supplier loyalty - is paramount for a successful event (p. 64).

In addition, McDermott (2001) described member service as a core competency in convention management of associations. He also said, "The ultimate goal is to turn your convention or tradeshow into a profitable activity that increases satisfaction for members and exhibitors. If an outsourcing partner can help to achieve that goal, it is a worthwhile strategy (p.66)."

Reasons for Outsourcing

A comparison of companies and associations reasons for outsourcing follows. Similarities are noteworthy. The Outsourcing Institute has conducted a series of studies since 1991, including surveys of over 1,200 firms in order to develop a clearer understanding of why firms outsource functions. The top ten reasons that companies outsource were to (1) reduce and control operating costs, (2) improve company focus, (3) gain access to world-class capabilities, (4) free internal resources for other purposes, (5) to acquire resources not available internally, (6) accelerate reengineering benefits, (7) handle functions difficult to manage or out of control, (8) share risks, (9) make capital funds available, and (10) realize a cash infusion (The Outsourcing Index, 2000).

According to Association Management’s Outsourcing Survey in
1999, the top 11 reasons of associations outsourcing were to (1) gain access to expertise, (2) focus on core activities, (3) lower operating costs, (4) better manage the activity, (5) improve service to members and attendees, (6) enhance association flexibility, (7) improve products, (8) acquire new ideas, (9) lower investment in assets, (10) reduce association's risk, and (11) enhance competitiveness (Lang, 2000).

Table 2 Reasons for Outsourcing: Companies vs. Associations

<table>
<thead>
<tr>
<th>Companies</th>
<th>Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Reduce and control operating costs</td>
<td>Gain access to expertise</td>
</tr>
<tr>
<td>2 Improve company focus</td>
<td>Focus on core activities</td>
</tr>
<tr>
<td>3 Gain access to world-class capabilities</td>
<td>Lower operating costs</td>
</tr>
<tr>
<td>4 Free internal resources for other purposes</td>
<td>Better manage the activity</td>
</tr>
<tr>
<td>5 Resources are not available internally</td>
<td>Improve service to members and attendees</td>
</tr>
<tr>
<td>6 Accelerate reengineering benefits</td>
<td>Enhance association flexibility</td>
</tr>
<tr>
<td>7 Function difficult to manage or out of control</td>
<td>Improve products</td>
</tr>
<tr>
<td>8 Share risks</td>
<td>Acquire new ideas</td>
</tr>
<tr>
<td>9 Make capital funds available</td>
<td>Lower investment in assets</td>
</tr>
<tr>
<td>10 Cash infusion</td>
<td>Reduce association's risk</td>
</tr>
<tr>
<td>11 N/A</td>
<td>Enhance competitiveness</td>
</tr>
</tbody>
</table>

In Table 2, the top three results of the above two surveys are identical except that the order of priority was reversed. Corporations want to save money first, access expertise, and keep their focus on what is most important. While associations appear to want to access to expertise skill or technology first, focus on core activities, and then lower operating costs.

Advantages and Disadvantages of Outsourcing

Outsourcing offers several advantages, such as enabling existing staff to concentrate on core activities on organizational specialization, focusing on achieving key strategic objectives, lowering or stabilizing overhead costs, and thereby gaining cost advantage over the competition, providing flexibility in response to changing market conditions, and reducing investment in high technology (Kliem, 1999; Quinn, 1999). Small specialized suppliers often offer greater responsiveness through new technologies which have undermined the need for the vertically integrated organization and have also helped achieve economies of scale (Quinn & Hilmer, 1994). A network of suppliers can provide any organization with the ability to adjust the scale and scope of their production capability upward or downward, at a lower cost, to changing demand conditions and a rapid rate. As such, outsourcing can provide greater flexibility than the vertically integrated organization (Carlson, 1989; Harrison, 1994).
Since the increased trend of outsourcing is mainly attributed to its expected benefits, there are few studies that examine outsourcing disadvantages. However, a number of risks exist in outsourcing which may create perceived disadvantages. These include becoming dependent on outside suppliers for services, losing control over critical functions, having to face the prospect of managing relationships that go wrong and lowering the morale of permanent employees (Currie & Willcocks, 1997; Kliem, 1999). These challenges include a more complicated level of communication, insecurity in the workforce, and the risk of alienating customers (Blumberg, 1988). However, some potential disadvantages, if managed effectively, do not lead to financial losses. For example, partnering with a third party introduces a host of new outlooks and personalities (Blumberg, 1998).

**Degree of Outsourcing**

As indicated by Loh and Venkaraman (1992), outsourcing can no longer be considered a simple dichotomous decision. They indicated that a continuous measure (degree of outsourcing) is superior conceptualization of the concept.

Klaas, McCledon, and Gainey (1999) examined whether organizational-level factors moderated the relationship between the degree of reliance on Human Resources (HR) outsourcing and the perceived benefits produced by outsourcing. They found the relationship between the degree of outsourcing and the perceived benefits generated was moderated by reliance on idiosyncratic HR
practices, uncertainty, firm size, and cost pressures. Other organizational factors such as pay level, overall outsourcing emphasis were found to support the outsourcing relationship.

Grover, Cheon, and Teng (1996) examined five component functions in information system (IS) outsourcing and their relationship with outsourcing success. For the degree of outsourcing, the outsourcing budget in each case was expressed as a percentage of the firm's total IS budget for that year. Budgets were assessed for the five information technology functions: applications development and maintenance, systems operations, telecommunications and networks management, end-user support, and systems planning and management. The sum for all five functions became the measure of the degree of outsourcing. They found that outsourcing success is highly related to the degree of outsourcing of two functions, systems operations and telecommunications.

Outsourcing Success and Benefits

"Success is an evaluative concept" (Jaskolka, Beyer, & Trice, 1985). Hence, the success of an outsourcing arrangement may be contingent on a myriad of factors relating to reasons for outsourcing, it presents a predicament to measure success precisely. To overcome this predicament, success can be viewed as the feeling that the right decision has been made (Van der Zee, 1997).
In the context of outsourcing, success can be defined by the extent to which certain goals and benefits have been attained. Grover, Cheon, & Teng (1996) described information technology (IT) outsourcing benefits and measured its success in three categories: strategic benefits, economic benefits and technological benefits. First, strategic benefits refer to the ability of a firm to focus on its core business, outsource routine IT activities so that it can focus on strategic uses of IT, and enhance IT competence and expertise through contractual arrangements with an outsourcer. Second, economic benefits refer to a firm to utilize expertise and economies of scale in human and technological resources of the service provider and to manage its cost structure through unambiguous contractual arrangement. Third, technological benefits refer to the ability of a firm to gain access to leading edge IT and to avoid the risk of technological obsolescence that results from dynamic changes in IT.

Lankford and Parsa (1999) viewed that the advantages in outsourcing can be operational, strategic, or both. Operational advantages usually provide for short-term trouble avoidance, while strategic advantages offer long-term contributions in maximizing opportunities.

Juma’h and Wood (2000) viewed that outsourcing may be motivated by a desire to secure direct benefits, indirect benefits or a combination of these. Direct benefits are obtained from where outsourcing companies provide the same or better
service for the same or less cost than could be achieved internally. If this is not possible then services would be retained in-house unless significant indirect benefits are obtained. These indirect benefits would arise if opportunity benefits can be achieved by re-applying scarce resources liberated by outsourcing more productive (competitive) functions retained by the firm (Juma’h & Wood, 2000).

Service Quality

Convention outsourcing is a service provided by an external vendor that could involve various functions of an association’s meetings and convention management. Service quality of an outsourcing service provider is an important factor moderating between the outsourcing decision and its outcomes (Williamson, 1991). The emerging view from the literature is that service quality improvement, the need for strategic flexibility and the focus on core competencies are becoming predominant concerns for outsourcing decisions (Van Laarhoven, Berglund, Quelle & Ross, 1999; Peters, Cooper, Lieb & Randell, 1998). In the context of service quality, the marketing literature provides important insight into service evaluation.

Service is the result of the interaction between the customer and the service system, including the contact staff, equipment, service environment and facilities. This interaction results in the characteristics of service which make the provision,
measurement and control of quality so difficult (Silvestro, Johnston, Fitzgerald, & Voss, 1990).

Fuller (1998) reported that there has been increasing concern among purchasing managers in service quality management. The reason for this concern is that the trend toward outsourcing and the increasing focus on core competences means that many in-house services are now outsourced to suppliers. The existence of service quality gaps is a problem.

These gaps could take following forms: (1) customers' expectations (2) managers' perceptions of customer expectations, (3) service quality specifications, (4) actual service delivery, and (5) service expectations and perceptions of delivery (Parasuraman, Zeithaml & Berry, 1985). The gap model has been used extensively in the service industry research.

The loyalty gap study by Bowen and Shoemaker (1998) examined the difference between what the customer wants and what the hotel actually provide. Specifically they used the fifth gap: service expectation and perceptions of delivery (Parasuraman, Zeithaml & Berry, 1985). Their study, service expectation and perception of delivery were measured by importance and performance ratings.

Grover, Cheon, and Teng (1996) used two dimensions (tangibles and reliability) of SERVQUAL for service quality of IS outsourcing. In their study, the service quality was determined by the sum of the difference between perceived and expected outcome of each item.
Convention services are provided by different providers and service quality might be different for each service. Measuring service quality perceived of each convention service provides service providers useful implication to identify need of improvement of service quality.

If the objective of outsourcing is solely to reduce costs, the cost-cutting may be passed on to the service provider. Consequently, the service provider's profit margins decreases and quality or performance is likely to suffer, with the negative effects on the success of outsourcing. Therefore, it is important to evaluate the service quality of outsourced services because it provides service providers with improvement and help meeting planners in making outsourcing decisions.

As shown, the literature review implies that while outsourcing is receiving more research emphasis, less efforts has been devoted to assessing service quality of outsourcing items and how the service quality influence on outsourcing success. The literature review concludes by suggesting an understanding of the relationship between the degree of outsourcing and the success of outsourcing, and service quality to enhance outsourcing effectiveness in the convention industry.

Research Hypotheses

The research model for convention outsourcing is described in Figure 1. It would be expected that the more the services are outsourced for association conventions, the more the benefits are
obtained from them (Grover, Cheon, & Teng, 1996). Further, outsourcing implementation involves the quality of service. It is expected that this variable will affect the basic relationship between the degree of outsourcing and its success (Williamson, 1991; Grover, Cheon, & Teng, 1996). Therefore, the following are hypothesized:

H 1: The degree of outsourcing is positively related to the success of outsourcing.

H 2: The relationship between the degree of outsourcing and the success of outsourcing is moderated by the level of service quality.

Service quality can be assessed by calculating the gap between customer’s expectations and perceptions of service (Silvestro, Johnston, Fitzgerald & Voss, 1990). In this study, service quality is measured by comparing importance and performance (Bowen & Shoemaker, 1988) of the each outsourced service item. Therefore, it is hypothesized that:

H 3: There is difference between importance and performance of the outsourced services.

Research Variables

Independent Variable

Degree of outsourcing (independent variable), refer to the extent of outsourcing in different areas of meetings and conventions. Generally, service activities outsourced for association conventions are tradeshow management, marketing and
promotion, housing, registration, and floor management (Convene, 2002). With the increasing trend toward outsourcing of meeting service activities, it is appropriate to examine the various components of outsourcing. In this study, 13 outsourcing services are generated from the review of existing literature (Convene, 2002; Winzler, 1997), and by interview with industry experts and academicians.

The 13 items are (1) Housing, (2) Registration, (3) Marketing and promotion, (4) Tradeshow management, (5) Catering off-site events, (6) Travel agency, (7) Ground transportation, (8) Information system management, (9) Site selection, (10) Meeting management, (11) Tour program, (12) Special events (Entertainment), and (13) Audio-visual management.

**Dependent Variable**

Success of outsourcing (dependent variable), refers to the overall organizational advantages gained from the outsourcing strategy. To capture the tangible and intangible advantages of outsourcing, the concept of satisfaction, which has been perceived to be the best surrogate for measuring success of outsourcing is used (Klaas, McCledon, & Gainey, 1999; Grover, Cheon, & Teng, 1996). Based on the literature, nine items, including overall satisfaction, assessing the degree to which service recipients are satisfied are constructed with respect to the three categories of benefits (strategic, operational, and economic).
First, strategic benefits refer to the ability of an association to focus on its core business: outsource routine meeting service activities so that it can (1) focus on core activities (meeting or convention objectives), (2) enhance member service, and (3) reduce concern of liability issues.

Second, economic benefits refer to the ability of an association to (4) reduce operating costs by allowing outsourcers to offer services that would otherwise require considerable expense and commitment of personnel, and (5) avoid capital expenditure.

Third, operational benefits refer to the ability of an association to (6) gain access to experts in the specific field, (7) better manage the activities during the meetings (on-site meeting activities), and (8) enhance the association's flexibility by better utilizing internal staff. In addition, (9) overall satisfaction with the benefits from outsourcing is included.

**Moderating Variable**

Service quality (moderator), refers to the discrepancy between the importance of an outsourcing service item and the performance of the item. The smaller the discrepancy, the greater service the quality achieved. The service quality is determined by the difference between importance and performance scores for each 13 items, which are used in the degree of outsourcing. Overall service quality of convention services will be used for testing moderating effect in hypothesis 2.
CHAPTER III

RESEARCH DESIGN AND METHODOLOGY

Introduction

In this chapter, the research methodology adopted for the study is discussed including questionnaire development and procedure, sampling, and execution of the survey instrument. Also, survey response rate and sample characteristics are described, and non-response bias is checked.

Questionnaire Development and Scaling

A self-administered on-line questionnaire was used for this study. The questionnaire consisted of 5 sections and included multiple choice, and open-ended questions. This study seeks to measure the usage of outsourced convention services, perceived benefits from outsourcing, and the service quality of the outsourced services.

(1) The first section examined the degree of outsourcing by measuring the percentage or extent of use of outsourced services for association meetings. In this section, 13 convention service items were listed and meeting planners were asked to indicate the percentage of outsourcing on the listed items for their conventions. The degree of outsourcing was measured by
percentage, "Do not outsource (0%)," "Total (100%)," and "If you
outsource partly, please indicate the percentage of use: ____%.")"

(2) In the second section, meeting planners were asked the
overall satisfaction level with outsourcing benefits. Based on
the literature, eight items assessing the success of outsourcing
are constructed with respect to the three categories of benefits
(strategic, operational, and economic) and one overall
satisfaction item was included. A seven-point Likert scale was
used to rate the level of agreement or disagreement with
statements that describe outsourcing benefits (7 = strongly
agree, 6 = agree, 5 = somewhat agree, 4 = neutral, 3 = somewhat
disagree, 2 = disagree, 1 = strongly disagree). "Don’t know" was
included to indicate that the respondent is not familiar with the
benefits in the statement or uncertain to formulate a clear
opinion.

(3) In the third section, meeting planners were asked to
indicate the importance level of each convention services they
outsource. A seven-point Likert scale was used to rate service
importance (7 = very important, 6 = important, 5 = somewhat
important, 4 = neutral, 3 = somewhat unimportant, 2 =
unimportant, 1 = very unimportant).

(4) In the fourth section, meeting planners were asked to
indicate the performance level of each convention service they
outsource. A seven-point Likert scale was used to rate the
satisfaction with the service performance (7 = very satisfied, 6
= satisfied, 5 = somewhat satisfied, 4 = neutral, 3 = somewhat
dissatisfied, 2 = dissatisfied, 1 = very dissatisfied). "Do Not Use" was included to prevent evaluating items not used.

(5) In the last section, demographic information was asked in two categories: association and meeting planner. Association information includes scale, and membership size. Meeting planner information includes age, gender, and education level. Meeting planners' type (association, corporate, independent, and other), based on the organization was asked to confirm sample selection.

First Pretest

The questionnaire instrument was reviewed by academician and industry experts through an interactive process. The initial self-administered paper format questionnaire was developed based on literature and reviewed by three Convention and Tourism Department faculty. It was then tested with nine professionals in the convention industry and six undergraduate college students of the Convention and Tourism Department at the University of Nevada, Las Vegas. The pretest included (a) the clarity of the question items and scale, (b) recommendations or comments on the questions, (c) appropriateness of time spent to respond to the survey, and (d) survey method preference. From the comments from the experts, several convention service items were added to the list and on-line survey method was chosen. The partnership variable was excluded due to the length of questionnaire and time spent on responding to the survey.
In order to improve face (content) validity and scaling of the questionnaire items, the questionnaire also reviewed by outsourcing experts in the industry. Those experts were a speaker on the convention outsourcing topic, a vice president at convention and visitor's bureau, and association meeting planners who outsource extensively for their meetings. The questionnaire was revised accordingly after the pre-test and comments from the experts.

Second Pretest

After the first pretest and suggestions from the experts, the paper format questionnaire was redesigned into an on-line survey format. The on-line survey instrument was then pretested with 100 meeting planners by e-mailing a cover letter with the link to the online survey. Eighty-seven were randomly selected association meeting planners from PCMA directory and 13 meeting planners were recommended by an academian to provide comments on the survey instrument. The purpose of the second pretest was to test instrument validity and reliability as well as to check the response rate. Minor wording changes were made from their comments and statistical tests were performed to check construct reliability and validity. Response time was from one day to five days with a response rate of 19%. The pretests were concluded when there were no further substantive comments from the respondents. A final review was then made by members of the thesis committee.
Survey Method

On-line survey has advantages in cost and time. The speed of e-mail distribution and the quick response time can be major advantages for surveys (Zikmund, 2003). With the first pretest, meeting planners commented their preference for on-line survey over mail survey because of their busy work environments. Moreover, using the Internet and e-mail seemed justified, given that the PCMA Annual Member Survey (2001) indicated that about 95 percent of members use the Internet for professional purposes.

However, there are several challenges in e-mailing on-line survey. A potential respondent who is not immediately motivated to response, especially one who considers an unsolicited e-mail survey to be "spam," may quickly delete the message. Therefore, the e-mail cover letter was designed to be brief.

Also, if the e-mail lists more than one address in the "TO" or "CC" boxes field, all recipients will see the entire list of names. This has the potential to cause response bias and non-response error (Zikmund, 2003). Therefore, the e-mail survey addressed a single person by using the blind carbon copy (BCC).

Different from mail, phone, and interview surveys, another challenge of on-line survey is that it is impossible track respondents. Therefore, at the end of the survey, respondents' e-mail addresses were asked to track them for checking non-response bias and following up e-mailing.
Sampling

The sample for this study was drawn from the membership directories of the Professional Convention Management Association (PCMA) and Meeting Professionals International (MPI) because those two associations are the largest representatives of meeting planners of any meeting-planner group. The original list consists of various meeting planners groups such as associations, corporate and independent. It also includes other related industry people such as hotel, convention & visitor's bureau, and service providers. The screening meeting planners of associations and the deletion of duplicated entries of the same organization result in 1,790 members (1,161 from PCMA and 629 from MPI), and they served as the sampling frame for the study.

The unit of analysis for this research is an association in the United States. They are primarily associations and may include some organizations which have similar characteristics (non-profit), such as a society, institute, university, or foundation. As used in this research, outsourcing items of an association meeting or convention may include any of the following convention services: 1) Housing, (2) Registration, (3) Marketing and promotion, (4) Tradeshows management, (5) Catering off-site events, (6) Travel agency, (7) Ground transportation, (8) Information system management, (9) Site selection, (10) Meeting management, (11) Tour program, (12) Special events (Entertainment), and (13) Audio-visual management.
Sample Size

The number of variables or items to be assessed dictates the sample size needed for statistical analysis of data and recommended item-to-response ratios ranges from 1:4 to 1:10 (Hinkin, Tracey, & Enz, 1997). It suggests that an adequate sample size range from 112 to 280 to assess 28 items for measuring three main variables in the questionnaire. From the previous studies on meeting planners of PCMA membership list, response rate were ranged from 26.7 percent (Baloglu & Love, 2000) to 28.8 percent (Weber, 2000).

In conducting the survey, the response rate (19%) for the second pretest and the timing of the actual survey during the holiday season in December and January, a low response rate was a concern. As a conservative method is suggested in data collection, a census approach was taken with on-line survey being sent to all 1,790 association meeting planners on the lists, in consideration of response rate and the number of questionnaire items.

Execution of the Survey

The on-line survey was conducted in December 2002 ~ January 2003 and the procedure was as follows. First, a brief cover letter to all association meeting planners who are listed on the PCMA and MPI membership directories to explain the purpose of the study, ask for their participation in the survey, and provide them a link to the on-line survey. The on-line survey included
the university logo with a message "your feedback is important" and confidentiality statement. Meeting planners were asked to answer the questions based on their most recent annual or largest meeting. Two more follow-ups were e-mailed to those who did not respond 5 days after respectively, and generated some additional survey returns. A copy of the survey instrument may be found in Appendix I.

Response Rate

After three e-mailing attempts, a total of 314 meeting planners responded. Before data analysis, the responses were examined to determine if the data is usable by satisfying the following criteria:

1. The questionnaire was a self administered on-line survey, some respondents left incomplete. Questionnaires that were uncompleted or had excessive missing data were excluded.

2. The questionnaire was designed for associations that are involved in outsourcing convention services. Questions in the survey were asking the usage of outsourcing, satisfaction with outsourcing benefits, and service quality. Therefore, 26 associations that do not outsource any of 13 items in the questionnaire were excluded.

3. Despite careful screening sampling for association meeting planners, there were some corporate and independent meeting planners. Based on the screening confirm question, 14
corporate and 4 independent meeting planners were excluded and 15 organization similar to associations were included. Thus, 253 usable responses were received representing a response rate of 14%.

Responding Sample Characteristics

The scale of respondent associations, as shown in Table 3, indicate that the majority (80.3%) of these associations are international and national.

<table>
<thead>
<tr>
<th>Table 3 Summary of Sample Characteristics: Association Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Valid International</td>
</tr>
<tr>
<td>National</td>
</tr>
<tr>
<td>State</td>
</tr>
<tr>
<td>Regional</td>
</tr>
<tr>
<td>Local</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Missing System</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

The size of responding associations varies in terms of the number of memberships of the association as may be seen in Table 4. Of the 227 associations responding to the questionnaire, 110 have 10,000 or more memberships, and 117 have fewer than 10,000 memberships.
Table 4 Summary of Sample Characteristics: Association Size

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent Valid</th>
<th>Percent Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>227</td>
<td>100.0</td>
</tr>
<tr>
<td>50,000 or more</td>
<td>34</td>
<td>13.4</td>
</tr>
<tr>
<td>25,000 to 49,999</td>
<td>36</td>
<td>14.2</td>
</tr>
<tr>
<td>10,000 to 24,999</td>
<td>40</td>
<td>15.8</td>
</tr>
<tr>
<td>5,000 to 9,999</td>
<td>34</td>
<td>13.4</td>
</tr>
<tr>
<td>1,000 to 4,999</td>
<td>51</td>
<td>20.2</td>
</tr>
<tr>
<td>Less than 1,000</td>
<td>32</td>
<td>12.6</td>
</tr>
<tr>
<td>Total</td>
<td>253</td>
<td>100.0</td>
</tr>
<tr>
<td>Missing System</td>
<td>26</td>
<td>10.3</td>
</tr>
<tr>
<td>Total</td>
<td>253</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The respondents of questionnaire were association meeting planners. Women accounted for the majority of the sample (88.9%), between 35 and 54 years of age (59.8%), and a high educational level among respondents is reflected by the fact that 60.0% of the respondents had a college degree and 19.8% had some college coursework.

Non-Response Bias

In this study, there are primarily two groups of non-respondents. One non-response group may not respond because they do not outsource any of 13 items listed in the questionnaire. This group can be divided into two sub-groups: associations do not outsource at all for their conventions and associations do outsource some services but they are not on the list. Since the
questions in the survey asked the use of outsourcing items, the agreement or disagreement of statement which describes outsourcing benefits achieved, if they do not outsource any item at all or outsource but items not in the list, they would not fill out the questionnaire. Another non-response group is those who simply choose not to participate.

Randomly selected non-respondents were interviewed via telephone by asking association size (membership), scale, and outsource convention service or not. Twelve PCMA members and eight MPI members were participated in interview. Six of 20 non responses (30%) indicated that they do not outsource any of 13 items listed in the questionnaire. Comparing 26 of 314 actual survey responses (8%) who indicated 'do not outsource any of 13 items,' it can be interpreted that the sample respondents were heavily biased to associations involved in convention outsourcing.

To determine whether the respondents were representative of the total sample, the respondents and non-respondents were compared with regard to two key association features: association scale and size (number of membership). From the table 5, the mean, median, and percentile from 25 to 75 were higher in response group (mean=3.4, median=3, percentile=2~5) than non response group (mean=2.7, median=2, percentile=2~4). In terms of scale, response group (mean=4.19, median=4, percentile=4~5) is quite similar with non response group (mean=4.1, median=4, percentile=4~5) or slightly larger (response mode=5, non-response
It appears that the response group was larger than non-response group.

Therefore, the sample of respondents over represented associations which are involved in outsourcing practice of convention services and they are larger than total sample.

Table 5 Descriptive Statistics: Response vs. Non-response

<table>
<thead>
<tr>
<th></th>
<th>Response</th>
<th></th>
<th>Non-response</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Scale</td>
<td>Size</td>
<td>Scale</td>
<td>Size</td>
</tr>
<tr>
<td>N</td>
<td>228</td>
<td>227</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Mean</td>
<td>4.19</td>
<td>3.44</td>
<td>4.10</td>
<td>2.70</td>
</tr>
<tr>
<td>Median</td>
<td>4.00</td>
<td>3.00</td>
<td>4.00</td>
<td>2.00</td>
</tr>
<tr>
<td>Mode</td>
<td>5.00</td>
<td>2.00</td>
<td>4.00</td>
<td>2.00</td>
</tr>
<tr>
<td>Percentiles</td>
<td>25</td>
<td>2.00</td>
<td>4.00</td>
<td>2.00</td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>3.00</td>
<td>4.00</td>
<td>2.00</td>
</tr>
<tr>
<td></td>
<td>75</td>
<td>5.00</td>
<td>5.00</td>
<td>4.00</td>
</tr>
</tbody>
</table>

Note: Scale (5=International, 4=National, 3=State, 2=Regional, 1=Local), Size (6=50,000 or more, 5=25,000-49,999, 4=10,000-24,999, 3=5,000-9,999, 2=1,000-4,999, 1=Less than 1,000)
CHAPTER IV

ANALYSIS OF RESULTS

Introduction

In this chapter, the results from statistical analysis such as Regression, Paired T-test, Independent Samples T-test are presented and discussed. Prior to statistical analyses of hypotheses testing, descriptive statistics, reliability, and validity analysis were performed on the collected data. Data from the survey were analyzed using SPSS for Windows 11.0.

Descriptive Statistics

Descriptive statistics - including frequency distribution - for all questionnaire items and research variables were computed in order to check for missing data and errors in data entry. Data entries were then listed and checked against the original questionnaires. A few errors were found, and these were corrected.

Thirteen convention services were listed and meeting planners were asked to indicate the percentage of use of each item. The degree of outsourcing was measured by percentage, "Do not outsource (0%)", "Total (100%)", and "If you outsource partly, please indicate the percentage of use: ___ %." Frequency and
percentages of 13 convention service items were shown in three categories of outsourcing: Total, Part, and Do Not in Table 6.

Cumulative percentage of combining outsourcing total and outsourcing part may indicate the usage of outsourcing of each item. From cumulative percent in Table 6, Audio Visual Management was the highest usage of outsourcing (76.8%) followed by Ground Transportation (70.2%), Tour Program (69.7%), Travel Agency (64.4%), Special Event (60.7%), Off-site Catering (58.3%), Housing (56.0%), E-mail Station (27.6%), Registration (23.7%), Tradeshow Management (24.6%), Marketing and Promotion (18.7%), Site Selection (12.7%) and Meeting Management (3.4%).

Among 13 items, "Meeting Management" item indicates a very low usage of outsourcing (3.4%) compared to other items. Ninety-six percent of respondents indicated "Do Not Outsource." This low percentage of "Meeting Management" outsourcing is understandable because the questionnaire was sent to meeting planners who are responsible for meeting Management. Therefore, "Meeting Management" item was excluded in further data analysis.

In Table 7, eight items for the success of outsourcing construct are listed in descending order in terms of mean value. The response to question indicates "overall satisfaction with outsourcing benefits." Based on the mean score, it appears that associations have gained operational and strategic benefits more than economic benefits.
<table>
<thead>
<tr>
<th>Service Category</th>
<th>Frequency</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>Total</td>
<td>106</td>
<td>42.1</td>
</tr>
<tr>
<td></td>
<td>Part</td>
<td>35</td>
<td>13.9</td>
</tr>
<tr>
<td></td>
<td>Do Not</td>
<td>111</td>
<td>44.0</td>
</tr>
<tr>
<td>Registration</td>
<td>Total</td>
<td>60</td>
<td>23.7</td>
</tr>
<tr>
<td></td>
<td>Part</td>
<td>36</td>
<td>14.2</td>
</tr>
<tr>
<td></td>
<td>Do Not</td>
<td>157</td>
<td>62.1</td>
</tr>
<tr>
<td>Marketing &amp; Promotion</td>
<td>Total</td>
<td>9</td>
<td>3.6</td>
</tr>
<tr>
<td></td>
<td>Part</td>
<td>38</td>
<td>15.1</td>
</tr>
<tr>
<td></td>
<td>Do Not</td>
<td>204</td>
<td>81.3</td>
</tr>
<tr>
<td>Tradeshow Management</td>
<td>Total</td>
<td>31</td>
<td>12.7</td>
</tr>
<tr>
<td></td>
<td>Part</td>
<td>29</td>
<td>11.9</td>
</tr>
<tr>
<td></td>
<td>Do Not</td>
<td>184</td>
<td>75.4</td>
</tr>
<tr>
<td>Off-site Catering</td>
<td>Total</td>
<td>107</td>
<td>43.3</td>
</tr>
<tr>
<td></td>
<td>Part</td>
<td>37</td>
<td>15.0</td>
</tr>
<tr>
<td></td>
<td>Do Not</td>
<td>103</td>
<td>41.7</td>
</tr>
<tr>
<td>Travel Agency</td>
<td>Total</td>
<td>126</td>
<td>51.0</td>
</tr>
<tr>
<td></td>
<td>Part</td>
<td>33</td>
<td>13.4</td>
</tr>
<tr>
<td></td>
<td>Do Not</td>
<td>88</td>
<td>35.6</td>
</tr>
<tr>
<td>Ground Transportation</td>
<td>Total</td>
<td>145</td>
<td>60.9</td>
</tr>
<tr>
<td></td>
<td>Part</td>
<td>22</td>
<td>9.2</td>
</tr>
<tr>
<td></td>
<td>Do Not</td>
<td>71</td>
<td>29.8</td>
</tr>
<tr>
<td>E-mail Station</td>
<td>Total</td>
<td>52</td>
<td>22.4</td>
</tr>
<tr>
<td></td>
<td>Part</td>
<td>12</td>
<td>5.2</td>
</tr>
<tr>
<td></td>
<td>Do Not</td>
<td>168</td>
<td>72.4</td>
</tr>
<tr>
<td>Site Selection</td>
<td>Total</td>
<td>13</td>
<td>5.2</td>
</tr>
<tr>
<td></td>
<td>Part</td>
<td>19</td>
<td>7.5</td>
</tr>
<tr>
<td></td>
<td>Do Not</td>
<td>220</td>
<td>87.3</td>
</tr>
<tr>
<td>Meeting Management</td>
<td>Total</td>
<td>3</td>
<td>1.3</td>
</tr>
<tr>
<td></td>
<td>Part</td>
<td>5</td>
<td>2.1</td>
</tr>
<tr>
<td></td>
<td>Do Not</td>
<td>227</td>
<td>96.6</td>
</tr>
<tr>
<td>Tour Program</td>
<td>Total</td>
<td>128</td>
<td>56.1</td>
</tr>
<tr>
<td></td>
<td>Part</td>
<td>31</td>
<td>13.6</td>
</tr>
<tr>
<td></td>
<td>Do Not</td>
<td>69</td>
<td>30.3</td>
</tr>
<tr>
<td>Special Event</td>
<td>Total</td>
<td>102</td>
<td>41.3</td>
</tr>
<tr>
<td></td>
<td>Part</td>
<td>48</td>
<td>19.4</td>
</tr>
<tr>
<td></td>
<td>Do Not</td>
<td>97</td>
<td>39.3</td>
</tr>
<tr>
<td>Audio Visual</td>
<td>Total</td>
<td>162</td>
<td>64.8</td>
</tr>
<tr>
<td></td>
<td>Part</td>
<td>50</td>
<td>12.0</td>
</tr>
<tr>
<td></td>
<td>Do Not</td>
<td>58</td>
<td>23.2</td>
</tr>
</tbody>
</table>
Table 7 Descriptive Statistics of Outsourcing Benefits

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilizing Experts (O)</td>
<td>247</td>
<td>5.696</td>
<td>1.176</td>
</tr>
<tr>
<td>Flexibility of Internal Staff (O)</td>
<td>249</td>
<td>5.486</td>
<td>1.383</td>
</tr>
<tr>
<td>Focusing on Core Activity (S)</td>
<td>247</td>
<td>5.336</td>
<td>1.375</td>
</tr>
<tr>
<td>Improving Member Service (S)</td>
<td>248</td>
<td>5.266</td>
<td>1.389</td>
</tr>
<tr>
<td>Improving On Site Management (O)</td>
<td>251</td>
<td>5.219</td>
<td>1.430</td>
</tr>
<tr>
<td>Reducing Capital Cost (E)</td>
<td>249</td>
<td>4.864</td>
<td>1.580</td>
</tr>
<tr>
<td>Controlling Operational Cost (E)</td>
<td>249</td>
<td>4.257</td>
<td>1.467</td>
</tr>
<tr>
<td>Reducing Liability (S)</td>
<td>252</td>
<td>4.075</td>
<td>1.561</td>
</tr>
</tbody>
</table>

Note: 1=Strongly Disagree to 7=Strongly Agree, (S)=Strategic Benefits, (E)=Economic Benefits, (O)=Operational Benefits.

Reliability and Validity of Constructs

Reliability

Reliability is the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects. That is, reliability refers to the accuracy (consistency and stability) of measurement by the instrument or repeatability of an assessment over a variety of conditions. Variables were evaluated for their internal consistency through Cronbach's alpha which tells how well the items measure the same construct (Price & Muller, 1986). A large coefficient alpha indicates strong item covariance or homogeneity and suggests that the sampling domain has adequately been captured (Hinkin, Tracey, & Enz, 1997). The generally agreed upon lower limit for Cronbach's alpha is .70 (Hair, Anderson, Tatham, & Black, 1998).
Table 8 Reliability and Convergent Validity Analysis

<table>
<thead>
<tr>
<th>Construct measured</th>
<th>Item-Total Correlation</th>
<th>Alpha if item Deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent Variable</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>.3994</td>
<td>.6528</td>
</tr>
<tr>
<td>Registration</td>
<td>.3951</td>
<td>.6546</td>
</tr>
<tr>
<td>Marketing and Promotion</td>
<td>.2438</td>
<td>.6786</td>
</tr>
<tr>
<td>Tradeshow Management</td>
<td>.2077</td>
<td>.6811</td>
</tr>
<tr>
<td>Off-site Catering</td>
<td>.2764</td>
<td>.6747</td>
</tr>
<tr>
<td>Travel Agency</td>
<td>.2633</td>
<td>.6770</td>
</tr>
<tr>
<td>Ground Transportation</td>
<td>.4190</td>
<td>.6493</td>
</tr>
<tr>
<td>E-mail Station</td>
<td>.3553</td>
<td>.6613</td>
</tr>
<tr>
<td>Site Selection</td>
<td>-.0527</td>
<td>.7019*</td>
</tr>
<tr>
<td>Tour Program</td>
<td>.3089</td>
<td>.6562</td>
</tr>
<tr>
<td>Special Event</td>
<td>.4297</td>
<td>.6475</td>
</tr>
<tr>
<td>Audio-visual Management</td>
<td>.4173</td>
<td>.6501</td>
</tr>
<tr>
<td><strong>Reliability Coefficient 12 items Alpha</strong></td>
<td></td>
<td>.6855</td>
</tr>
</tbody>
</table>

| **Dependent Variable** | | |
| Focusing on Core Activity | .7699 | .8741 |
| Improving Member Service | .7797 | .8732 |
| Reducing Liability | .5753 | .8933 |
| Controlling Operational Cost | .5979 | .8905 |
| Reducing Capital Cost | .5183 | .8995 |
| Improving On Site Management | .7823 | .8729 |
| Flexibility of Internal Staff | .7515 | .8762 |
| Utilizing Experts | .7066 | .8818 |
| **Reliability Coefficient 8 items Alpha** | | .8960* |

Note: * Chronbach's Alpha for constructs with composite measure.
The Alpha's for Independent variable (.7019) excluding "site selection" and Dependent variable (.8920) indicates that these constructs are reliable.

**Content Validity**

Content validity refers to the subjective agreement among professionals that a scale logically appears to accurately measure what it is intended to measure (Zikmund, 2003). In this study, content validity of the survey instrument was established through the adoption of question items that have been utilized by other researchers (Grover, Cheon, & Teng, 1996), two pretests and interviews with experts in the meetings and convention industry. Since empirical studies of outsourcing in convention industry are only just beginning, all suggestions of relevant convention service items in the literature and interview have been adopted to achieve generalizability and unbiasedness. Further results of validity analysis of the constructs were tested statistically.

**Construct Validity**

Construct validity is the degree to which the empirical definition of a construct corresponds with a conceptual definition of the construct (Churchill, 1979; Kerlinger, 1986). It consists of two major validity concepts: convergent validity and discriminant validity (Hinkin, Tracey, & Enz, 1997).

**Convergent Validity**

Convergent validity is the degree to which multiple attempts to measure the same concept are in agreement (Zikmund, 2003). In this study, convergent validity is evaluated by measuring the
correlation of each item representing the construct with the aggregate measure for that construct less the focal item. This approach assumes the total score to be valid; thus the extent to which the item correlates with the total score is indicative of construct validity for the research variable (Grover, Cheon, & Teng, 1996).

From Table 8, all of the correlations are positive except “Site Selection (-0.0527).” This item has low outsourcing rate (12.7%) and showed negative correlations with other convention service items in inter-correlation matrix. The reason can be sought that all other convention service outsourcing decision can be made by meeting planners. However, site selection can be outsourced by site searching company but the final site selection decision is usually made by association board of directors not by meeting planners (Connell, Chatfield-Taylor, & Collins, 2002).

In addition, “Site Selection” item showed the highest ‘Alpha if item deleted (.7019)’ in earlier analysis of reliability test (Table 8). Therefore, “Site Selection” is dropped from further analysis.

From the results of Table 8, all 11 items of independent variable shows low correlation (<.05) with the total score. It is suggested that inter-item correlation at least .50 for the convergent validity (Hair, Anderson, Tatham, & Black, 1998). This low inter-correlation result implies that these 11 items may not be aggregated for representing one construct (the degree of outsourcing).
<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>.563</td>
<td></td>
</tr>
<tr>
<td>Registration</td>
<td>.567</td>
<td></td>
</tr>
<tr>
<td>Marketing and Promotion</td>
<td>.378</td>
<td></td>
</tr>
<tr>
<td>Tradeshow Management</td>
<td>.369</td>
<td></td>
</tr>
<tr>
<td>Off-Site Catering</td>
<td>.370</td>
<td></td>
</tr>
<tr>
<td>Travel Agency</td>
<td>.361</td>
<td></td>
</tr>
<tr>
<td>Ground Transportation</td>
<td>.550</td>
<td></td>
</tr>
<tr>
<td>E-mail Station</td>
<td>.555</td>
<td></td>
</tr>
<tr>
<td>Tour Program</td>
<td>.526</td>
<td></td>
</tr>
<tr>
<td>Special Event Management</td>
<td>.565</td>
<td></td>
</tr>
<tr>
<td>A/V Management</td>
<td>.579</td>
<td></td>
</tr>
<tr>
<td>Focusing on Core Activity</td>
<td>.849</td>
<td></td>
</tr>
<tr>
<td>Improving Member Service</td>
<td>.862</td>
<td></td>
</tr>
<tr>
<td>Reducing Liability</td>
<td>.654</td>
<td></td>
</tr>
<tr>
<td>Controlling Operational Cost</td>
<td>.666</td>
<td></td>
</tr>
<tr>
<td>Reducing Capital Cost</td>
<td>.591</td>
<td></td>
</tr>
<tr>
<td>Improving On Site Management</td>
<td>.861</td>
<td></td>
</tr>
<tr>
<td>Flexibility of Internal Staff</td>
<td>.841</td>
<td></td>
</tr>
<tr>
<td>Utilizing Experts</td>
<td>.783</td>
<td></td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 3 iterations.

Component Names:
Factor 1: Independent Variable
Factor 2: Dependent Variable

Figure 2 Result of Discriminant Validity - Factor Analysis

Discriminant Validity

Discriminant validity is the degree to which a construct differs from other constructs and is usually verified through
factor analysis (Kerlinger, 1986). Factor analysis for
discriminant validity was performed with respect to each domain
of the research model. In each case, discriminant validity is
confirmed if items for each variable load onto a single factor.
The significance of item loadings is suggested at least 0.35 for
sample size 250 (Hair, Anderson, Tatham, & Black, 1998). Eleven
items (convention services) of the independent variable and eight
items (outsourcing benefits) of the dependent variable are
significant and loaded on each single factor as presented in
Figure 2.

Hypotheses Testing

The first two hypotheses are formulated to test the validity
of the research model in Figure 1. If the first hypothesis is not
supported, the second hypothesis (moderating effect) cannot be
tested. If both hypotheses are supported, the research model is
valid. The third hypothesis involves service quality by
measuring the gap between importance and performance of each
convention services.

Testing the Base Relationship (Hypothesis 1)

As proposed in hypotheses 1, the degree of outsourcing is
positively related with the success of outsourcing. It is
expected that the greater the degree of outsourcing, the greater
the success of outsourcing (overall satisfaction of outsourcing
benefits). Since the research model was adopted from a previous
research (Grover, Cheon & Teng, 1996), data analysis for testing
the first two hypotheses was tried in the same way. The sum for
11 meeting outsourcing of associations becomes the measure of the
degree of outsourcing and it is regressed on the success of
outsourcing by using a simple regression.

Before the regression test, normality of assumption was
checked by Shapiro-Wilk (S-W) and Kolmogorov-Smirnov (K-S)
Statistics. The values of S-W and K-S statistics are very low at
0.000 for the degree of outsourcing and 0.001 for the success of
outsourcing (Table 9). The observed significance levels for the
tests are small, the assumption of normality is not satisfied
(Norusis, 2003). Therefore, the hypothesis of outsourcing
relationship by a simple regression could not be tested.

Table 9 Normality Test of Independent Variable and Dependent
Variable

<table>
<thead>
<tr>
<th></th>
<th>Kolmogorov-Smirnov</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic</td>
<td>df</td>
</tr>
<tr>
<td>Independent Variable</td>
<td>.081</td>
<td>227</td>
</tr>
<tr>
<td>Dependent Variable</td>
<td>.121</td>
<td>227</td>
</tr>
</tbody>
</table>

Instead, by recoding percentage scale of the independent
variable into categorical scale by dummy coding, nonparametric
statistical procedure that which does not require normality
assumption of sample distribution, was adopted and the results
will be discussed.
Testing the Moderating Effect (Hypothesis 2)

It was hypothesized that the relationship between the degree of outsourcing and the success of outsourcing is moderated by the level of service quality. For a moderator model to be valid, the interaction between the independent variable and the moderator must be significant in a regression of the independent variables on the dependent variable (Baron & Kenny, 1986).

The result of the test for the validity of the research model in Figure 1 did not support that the regression model between the degree of outsourcing and the success of outsourcing (Hypothesis 1). The moderating effect of the research model can be tested only when the first regression hypothesis is supported. Consequently, the moderating effect of the service quality could not be tested.

Dummy Variable Regression

Since 11 items of independent variable do not have a normal distribution but the sample consists of observation can be divided into three distinct groups: (1) Outsource Total, (2) Outsource Part, and (3) Do Not Outsource. From the convergent validity test (Table 7), all 11 items of independent variable shows low item-total correlation ranged from .2077 to .4277. Rule of thumb suggests that the item-total correlations exceed .50 for convergent validity (Hair, Anderson, Tatham, & Black, 1998). It implies that these items are not converged into one focal variable but need to treat them as 11 separated individual independent variables.
Table 10 Dummy Variable Regression: Convention Services
Outsourced and Outsourcing Benefits

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>B</th>
<th>Std. Error</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>3.803</td>
<td>.181</td>
<td>.000</td>
</tr>
<tr>
<td>Housing-Total</td>
<td>.475</td>
<td>.176</td>
<td>.008**</td>
</tr>
<tr>
<td>Housing-Part</td>
<td>.156</td>
<td>.240</td>
<td>.517</td>
</tr>
<tr>
<td>Registration-Total</td>
<td>.181</td>
<td>.193</td>
<td>.350</td>
</tr>
<tr>
<td>Registration-Total</td>
<td>-.140</td>
<td>.212</td>
<td>.511</td>
</tr>
<tr>
<td>Marketing and Promotion-Total</td>
<td>-.058</td>
<td>.395</td>
<td>.884</td>
</tr>
<tr>
<td>Marketing and Promotion-Part</td>
<td>.092</td>
<td>.197</td>
<td>.643</td>
</tr>
<tr>
<td>Tradeshow Management-Total</td>
<td>.354</td>
<td>.203</td>
<td>.083*</td>
</tr>
<tr>
<td>Tradeshow Management-Part</td>
<td>-.352</td>
<td>.223</td>
<td>.116</td>
</tr>
<tr>
<td>Off-Site Catering-Total</td>
<td>.480</td>
<td>.160</td>
<td>.003**</td>
</tr>
<tr>
<td>Off-Site Catering-Part</td>
<td>.439</td>
<td>.221</td>
<td>.048**</td>
</tr>
<tr>
<td>Travel Agency-Total</td>
<td>.369</td>
<td>.156</td>
<td>.019**</td>
</tr>
<tr>
<td>Travel Agency-Part</td>
<td>.183</td>
<td>.243</td>
<td>.452</td>
</tr>
<tr>
<td>Ground Transportation-Total</td>
<td>.305</td>
<td>.174</td>
<td>.082*</td>
</tr>
<tr>
<td>Ground Transportation-Part</td>
<td>.265</td>
<td>.261</td>
<td>.312</td>
</tr>
<tr>
<td>E-mail Station-Total</td>
<td>.112</td>
<td>.181</td>
<td>.539</td>
</tr>
<tr>
<td>E-mail Station-Part</td>
<td>-.060</td>
<td>.287</td>
<td>.833</td>
</tr>
<tr>
<td>Tour Program-Total</td>
<td>.199</td>
<td>.178</td>
<td>.264</td>
</tr>
<tr>
<td>Tour Program-Part</td>
<td>.002</td>
<td>.250</td>
<td>.993</td>
</tr>
<tr>
<td>Special Event-Total</td>
<td>.005</td>
<td>.187</td>
<td>.977</td>
</tr>
<tr>
<td>Special Event-Part</td>
<td>-.167</td>
<td>.212</td>
<td>.432</td>
</tr>
<tr>
<td>A/V Management-Total</td>
<td>.403</td>
<td>.184</td>
<td>.029**</td>
</tr>
<tr>
<td>A/V Management-Part</td>
<td>.507</td>
<td>.249</td>
<td>.044**</td>
</tr>
</tbody>
</table>

Note: R Square = .391, P* < 0.10, P** < 0.05, two-tailed. F = 4.877, P= .000, Dependent Variable: overall satisfaction with outsourcing benefits (composite value)
Then, in order to examine which convention service among 11 items has significant impact on the success of outsourcing, dummy variable regression was employed. Dummy variable coding (indicator coding) is a technique that allows one to use a categorical variable as an independent variable in regression. Each category of nominal variable is turned into a variable where the variable has the value 1 if the subject is in the category and 0 if the subject is not in the category. Each dummy variable represents one category of a nonmetric independent variable, and any nonmetric variable with k categories can be represented k-1 dummy variables (Hair, Anderson, Tatham, & Black, 1998).

In this study, a three-category non-metric variable of each item is represented by two dummy variables (outsource total and outsource part) representing "item name-Total" and "item name-Part," with the reference category (do not outsource). The reference category (do not outsource) is defined by the regression equation with both dummy variables (outsource total and outsource part) equaling zero (Hair, Anderson, Tatham, & Black, 1998).

Eleven convention services are recoded and converted into a set of dummy variables and a multiple regression was used to examine which convention service has significant impact on the success of outsourcing overall satisfaction with outsourcing benefits). Since the dependent variable is the overall satisfaction level of outsourcing benefits based on experience, "outsource total" and "outsource part" categories are indicated
by dummy coding and "do not outsource" category is left omitted as a reference category.

As shown in Table 10, eight variables of six convention services were significant at the 0.10 level: Housing-Total (.475), Tradeshow Management-Total (.354), Off-Site Catering-Total (.480), Off-Site Catering-Part (.439), Ground transportation-Total (.305), and A/V Management-Total (.403), and A/V Management-Part (.507).

The regression coefficients for the dummy variables represent differences between means for each group of respondents formed by a dummy variable from the reference category (the omitted group that received all zeros) on the dependent variable (Hair, Anderson, Tatham, & Black, 1998). It can be interpreted that when associations outsource totally these services the significant outsourcing benefits are achieved. In the case of Off-Site Catering and Audio-Visual (A/V) Management, the outsourcing benefits gained more when they were outsourced either totally and partially.

**Testing the Service Quality (Hypothesis 3)**

It was hypothesized in Chapter 1 that there is a difference between importance and performance of convention services. Null hypothesis can be stated that there is no difference between importance and performance of outsourced convention services. The Paired-samples T test was used because it measures the same subjects under two different conditions. Since the sample size is large (N= 253) so that the distribution of value is not
extremely far from normal, a normality assumption is satisfied for a paired samples t-test of service quality (Norusis, 2002).

As shown in the Table 11, Housing, Registration, Marketing and Promotion, Travel Agency, Ground Transportation, and Audio-Visual Management were significant at level of 0.05, leading to reject the null hypotheses. In other words, these services are not satisfying meeting planners’ expectation in terms of service quality.

Table 11 Paired Samples T-test: Service Quality

<table>
<thead>
<tr>
<th>Service</th>
<th>Mean Difference</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>-.6803</td>
<td>-6.973</td>
<td>121</td>
<td>.000*</td>
</tr>
<tr>
<td>Registration</td>
<td>-.6951</td>
<td>-5.801</td>
<td>81</td>
<td>.000*</td>
</tr>
<tr>
<td>Marketing &amp; Promotion</td>
<td>-.4348</td>
<td>-2.026</td>
<td>45</td>
<td>.049*</td>
</tr>
<tr>
<td>Tradeshow Management</td>
<td>-.2200</td>
<td>-1.296</td>
<td>49</td>
<td>.201</td>
</tr>
<tr>
<td>Off Site Catering</td>
<td>-.1538</td>
<td>-1.703</td>
<td>129</td>
<td>.091</td>
</tr>
<tr>
<td>Travel Agency</td>
<td>-.4454</td>
<td>-4.055</td>
<td>118</td>
<td>.000*</td>
</tr>
<tr>
<td>Ground Transportation</td>
<td>-.2516</td>
<td>-2.956</td>
<td>158</td>
<td>.004*</td>
</tr>
<tr>
<td>Email Station</td>
<td>.1525</td>
<td>.953</td>
<td>58</td>
<td>.344</td>
</tr>
<tr>
<td>Tour Program</td>
<td>.1270</td>
<td>1.328</td>
<td>125</td>
<td>.187</td>
</tr>
<tr>
<td>Special Event</td>
<td>.0284</td>
<td>.352</td>
<td>140</td>
<td>.725</td>
</tr>
<tr>
<td>Audio Visual Management</td>
<td>-.1919</td>
<td>-2.549</td>
<td>171</td>
<td>.012*</td>
</tr>
</tbody>
</table>

Note: Mean difference (Importance-Performance), P* < 0.05

In Table 11, mean difference indicates that the gap between perceived importance level and performance of each service. Smaller the gap found, higher the service quality achieved. From the mean difference, Registration (-0.6951) is the most negative.
service quality and followed by Housing (-0.6803), Travel Agency
(-0.4454), Marketing and Promotion (-0.4348), Ground
Transportation (-0.2516), and Audio-Visual Management (-0.1919).

Additional Findings

Generally, researchers divide benefits into two categories in
outsourcing literature: economic and strategic (Kakabadse &
Kakabadse, 2000), operational and strategic (Lankford & Parsa,
1999), and direct and indirect (Juma’h & Wood, 2000). Some
information technology outsourcing literature divided them into
three categories by including technological benefits (Grover,
Cheon & Teng, 1996). Since this study adopted a model from the
information system literature (Grover, Cheon & Teng, 1996), eight
outsourcing benefits in convention outsourcing were drawn from
literature review and divided into three categories: strategic,
economic and operational.

During the data analysis, these eight items were analyzed to
validate three categories, which were originally categorized.
From the results of factor analysis in Figure 3, two benefit
categories were drawn and named as strategic benefits and
economic benefits based on literature in general.

From the factor analysis results (Figure 3), it can be
interpreted that meeting planners view liability issue as an
economic benefit rather than strategic benefits. Three
operational benefits (flexibility of internal staff, improving on
site management, and utilizing experts) can be combined with strategic benefits.

<table>
<thead>
<tr>
<th>Component</th>
<th>Component 1</th>
<th>Component 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving Member Service</td>
<td>.858</td>
<td></td>
</tr>
<tr>
<td>Flexibility of Internal Staff</td>
<td>.823</td>
<td></td>
</tr>
<tr>
<td>Improving On Site Management</td>
<td>.819</td>
<td></td>
</tr>
<tr>
<td>Focusing on Core Activity</td>
<td>.808</td>
<td></td>
</tr>
<tr>
<td>Utilizing Experts</td>
<td>.735</td>
<td></td>
</tr>
<tr>
<td>Controlling Operational Cost</td>
<td></td>
<td>.769</td>
</tr>
<tr>
<td>Reducing Liability</td>
<td></td>
<td>.726</td>
</tr>
<tr>
<td>Reducing Capital Cost</td>
<td></td>
<td>.720</td>
</tr>
</tbody>
</table>


Factor Names:
- Factor 1: Strategic Benefits
- Factor 2: Economic Benefits

Figure 3 Factor Analysis of Outsourcing Benefits

Testing the relation between outsourcing in terms of company size gives an important insight into factors in addition to economies of scale that might influence the outsourcing decision (Juma’h & Wood, 2000). Based on the results of Factor Analysis, achieving strategic benefits and economic benefits by association size was examined by Independent Samples t-test and it may allow some implication.
Testing the Strategic Benefits vs. Economic Benefits

It can be hypothesized that larger associations will not achieve higher strategic benefits or economic benefits than smaller associations. Independent samples t-test was conducted to examine whether there was any significant differences in the satisfaction level of strategic and economic benefits between large associations (membership 10,000 or more) and small associations (membership less than 10,000).

Table 12 Group Statistics

<table>
<thead>
<tr>
<th>Association</th>
<th>Size</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Benefits</td>
<td>&gt;= 10,000</td>
<td>109</td>
<td>-.007</td>
<td>1.119</td>
<td>.107</td>
</tr>
<tr>
<td></td>
<td>&lt; 10,000</td>
<td>108</td>
<td>-.004</td>
<td>.896</td>
<td>.086</td>
</tr>
<tr>
<td>Economic Benefits</td>
<td>&gt;= 10,000</td>
<td>109</td>
<td>-.122</td>
<td>1.019</td>
<td>.098</td>
</tr>
<tr>
<td></td>
<td>&lt; 10,000</td>
<td>108</td>
<td>.174</td>
<td>.942</td>
<td>.091</td>
</tr>
</tbody>
</table>

For equal variances assumption, the results of Levene’s test were checked. As shown in the Table 13, the observed significance level for Levene’s test was more than 0.005, consequently, the results labeled “Equal Variance Assumed” were used (Norusis, 2002) for the Independent Samples t-test.

The results indicated that there was no significant difference in achieving strategic benefits between large associations and small associations. However, there was a significant difference
in achieving economic benefits between large associations and small associations. According to the negative mean difference score (-.275), it can be interpreted that small associations are achieving more economic benefits than large associations.

Table 13 Independent Samples T-test by Association Size

<table>
<thead>
<tr>
<th>Equal variances assumed</th>
<th>Strategic Benefits Levene's Test for Equality of Variances</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>5.058</td>
</tr>
<tr>
<td></td>
<td>Sig.</td>
<td>.026</td>
</tr>
<tr>
<td></td>
<td>t-test for Equality of Means</td>
<td>T</td>
</tr>
<tr>
<td></td>
<td>Df</td>
<td>215</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.980</td>
</tr>
<tr>
<td></td>
<td>Mean Difference</td>
<td>-.003</td>
</tr>
<tr>
<td></td>
<td>Std. Error</td>
<td>.138</td>
</tr>
<tr>
<td></td>
<td>Difference</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economic Benefits Levene's Test for Equality of Variances</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
</tr>
<tr>
<td></td>
<td>.199</td>
</tr>
<tr>
<td></td>
<td>Sig.</td>
</tr>
<tr>
<td></td>
<td>.656</td>
</tr>
<tr>
<td>t-test for Equality of Means</td>
<td>T</td>
</tr>
<tr>
<td>Df</td>
<td>215</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.028</td>
</tr>
<tr>
<td>Mean Difference</td>
<td>-.295</td>
</tr>
<tr>
<td>Std. Error</td>
<td>.133</td>
</tr>
<tr>
<td>Difference</td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER V

IMPLICATIONS AND CONCLUSIONS

Introduction

In this chapter, significant findings in this research are summarized, and some implications can be derived from the study through discussion. Finally, the limitations of the study are presented, followed by suggestions for future research and conclusions.

Summary of Findings

The research originally tried to examine the relationship between the degree of outsourcing and the success of outsourcing, and the impact of service quality in convention services. However, the outsourcing research model was not supported because normality assumption of sample was not satisfied to test the first two hypotheses. Instead, by categorizing the responses into three groups, dummy variable regression was adopted to analyze the data. Six convention services (housing, tradeshow management, off-site catering, travel agency, ground transportation, audio-visual management) were identified to have significant impact on outsourcing success. Service quality of convention services tested by a Paired Samples T-test and showed

61
significant difference between perceived importance and performance in six convention services (registration, housing, travel agency, marketing and promotion, ground transportation, audio-visual management).

In this study, some additional findings were drawn from data analysis. Eight items of dependent variable were divided into two factors: strategic benefits and economic benefits. These two benefit categories were examined in terms of association size. Strategic benefits were sought by both small and large associations but economic benefits were sought more by small associations than large associations.

Discussion and Implication

The study is the first to investigate empirically in depth the outsourcing of convention services, its impact on outsourcing benefits, and service quality. It is also the first to examine the characteristics of outsourcing benefits perceived by association meeting planners.

Methodological Consideration

By adapting outsourcing model from information systems (IS) outsourcing (Grover, Cheon, & Teng, 1996), the summation of percentage indication of usage for the degree of outsourcing was used in this study. However, this percentage scale was not appropriate in this study by revealing some limitations due to unique nature of the convention industry.
The information technology literature suggests that outsourcing can no longer be considered a simple dichotomous decision but a continuous measure (Loh & Venkaraman, 1992). Therefore, percentage indication scale was used to measure the degree of outsourcing in IS outsourcing (Grover, Cheon, & Teng, 1996). Also, the number of items of the degree of outsourcing was relatively small (five items). These items were more or less homogeneous, therefore, represented one construct successfully by becoming a summated value (the degree of outsourcing). However, convention services are diverse and distinctive components provided by many specialized suppliers.

Incorporating diverse and extended outsourcing services resulted in a large number of items. Thirteen convention service items were generated and 11 items were used in this study. This large number of items led greater possibility of system missing value due to 0% outsourcing (do not outsource) of the item. This large number of 0% outsourcing among 11 items might affect the accuracy of the data when the items are used a summated or composite value. It can be identified through this study that the percentage scale to create a summated value for the degree of outsourcing may have a limitation if a large number of items are used for the degree of outsourcing in outsourcing research model.

Also, conventions services are outsourced temporarily and exclusively only for a specified time and duration (convention period). Therefore, outsourcing decision is dichotomous rather than continuous. In this study, samples are concentrated in 0%
and 100%, which might influence the normal distribution of the sample which was essential to support the proposed outsourcing model.

**Outsourcing Success**

This research highlights explanatory and predictive convention services that have significant impact on the success of outsourcing. They are:

- Housing-Total
- Tradeshow Management-Total
- Off-Site Catering-Total and Part
- Travel Agency-Total
- Ground transportation-Total
- A/V Management-Total and Part

These services are identified as areas of effective outsourcing which provides significant outsourcing benefits. In other words, when associations outsource totally these services, the significant outsourcing benefits are achieved. In the case of Off-Site Catering and A/V Management, the outsourcing benefits gained when they are outsourced either totally and partially.

From the results, it appears that outsourcing benefits are gained when service are outsourced totally rather than partially. Many convention services are usually outsourced temporarily and simultaneously for the specific convention period by different suppliers. It would be better to outsource totally the service items for meeting planners to manage their convention and focus on the core activities such as the objective of the convention.
Association meetings and conventions often rotate cities for promotion and member convenience. Some convention services are essential for association meetings and conventions and some are rather optional. In this study, four convention services (Housing, Travel Agency, Ground Transportation, Off-site Catering) can be considered more essential than some other services such as E-mail station, Tour Program, Special Events which were not identified for having significant outsourcing benefits. According to Professional Meeting Management 4th edition, housing, transportation, and food and beverage arrangement are described as meeting essentials (Connell, Chatfield-Taylor, & Collins, 2002).

Also, Tradeshow Management and Audio-Visual Management can be essential services based on the objective of the association convention: Tradeshow Management for commercial business purpose, and Audio-Visual equipment for educational purpose. Therefore, it can be interpreted that outsourcing meeting essential services can help associations and meeting planners achieve significant outsourcing benefits.

For outsourcing to be successful, the decision has to be informed one, especially considering outsourcing benefits. Six convention services are highly suggested for meeting planners to make outsourcing decision through the examination of the outsourcing success. The results will help association meeting planners concerning which convention services are most
appropriate for deploying outsourcing and what degree to
outsource those items.

Service Quality

The study also identifies some problem areas of service
quality of convention services. From the gap between importance
and performance of each service, Registration was the most
negative service quality and followed by Housing, Travel Agency,
Marketing and Promotion, Ground Transportation, and Audio-Visual
Management.

Convention service providers and recommenders such as hotels,
convention & visitor’s bureaus, travel agencies, exhibition
service companies, local convention service providers,
destination management companies (DMC), and other third party
service providers should understand that these convention
services need to improve service quality to meet the expectations
of the service perceived by association meeting planners. An
awareness of this service quality issue of outsourced services
assists the association meeting planners in ensuring that
suppliers of services perform effectively and helps service
providers in meeting their clients’ expectations.

Low service quality, any inconvenience or service failure,
genrated by outsourced service providers dissatisfy not only the
client (meeting planner) but also attendees and members.
Generally, convention attendees and members do not differentiate
outsourced service provider from convention organizer
(association). Members and attendees’ overall evaluation on the
convention may be influenced by their experience of outsourced services. Therefore, when an association outsources convention services, it is necessary to monitor the activities of the outsourced providers and ensure the duties are performed to the expectation.

**Strategic Benefits vs. Economic Benefits**

The study also identifies outsourcing benefits categories perceived by association meeting planners. In this study, associations indicated that convention services have been outsourced primarily based on strategic benefits that involves member service improvement and convention management effectiveness rather than economic benefits.

- **Strategic Benefits**
  - Improving member service
  - Flexibility of internal staff
  - Improving on-site meeting management
  - Focusing on core activities
  - Utilizing experts

- **Economic Benefits**
  - Controlling operational cost
  - Reducing capital cost
  - Reducing liability issue

This study identified that meeting planners viewed the liability issue as an economic benefit rather than strategic benefits. Three operational benefits (flexibility of internal staff, improving on site management, and utilizing experts) were
combined with strategic benefits (focusing on core activities, and improving member service).

As discussed in Chapter IV, the difference between benefits of small and large associations may have some implications. While economic benefits are significantly more achieved by small associations, strategic benefits of outsourcing are sought by both small and large associations. In other words, associations, large or small, are primarily interested in achieving strategic benefits from outsourcing convention services. These strategic benefits are helpful for associations to operate their convention in a short term and to improve member service in a long term. On the other hand, small associations might be more concerned with convention budget. Therefore, they are more interested in achieving cost saving benefits from outsourcing than large associations.

This finding provides associations with guidance in strategic outsourcing plan based on their benefits categories and their organization size. The convention management might be more successful, if attention is devoted to what type of benefits an association looking for taking into account association size.

Limitations

This research deals with a relatively new phenomenon. While it contributes to academically and practically, this study also has some limitations that need to be mentioned.
(1) The 13 items of convention service in this research may not be viewed as an exhaustive list of all possible convention outsourcing services.

(2) It should be emphasized that this study has focused on associations which are involved in outsourcing practices of convention services. Therefore, the results should be viewed as best estimates of the future, based on knowledgeable judgment of organizations which are involved in the outsourcing of convention services.

Future Research

Being the first research in this area, the study does have methodological considerations and limitations. However, it has provided some implications, which can be utilized and enhanced in an attempt to move toward a more thorough examination of convention outsourcing. This study has laid the foundation for future research in outsourcing of convention services by examining its benefits and service quality.

(1) Future research can extend this study on convention outsourcing including other types of conventions such as corporate meetings and conventions.

(2) In this study, 11 convention services were examined for outsourcing success and their service quality. With the increasing trend toward the number of convention services outsourced, it will be appropriate to examine the various components of outsourcing.
(3) Although the strategic benefits and economic benefits are examined in terms of association size. Future studies may examine these benefits by including other factors such as types of organization and industry types of the company.

**Conclusions**

The study was the first empirical research to examine in depth the outsourcing of convention services, outsourcing benefits, and service quality within the convention industry.

Convention service items which have brought outsourcing benefits to association were identified in this study. Outsourcing decisions to select convention services are important for association conventions in terms of its benefits. Also, service quality of outsourced convention services was examined and some problem areas were identified in this study. An awareness of this service quality issue of outsourced services assists the association meeting planners in ensuring that suppliers of services perform effectively and helps service providers in meeting their clients' expectations. Also, two categories of outsourcing benefits were identified and the differences by association size were examined in this study. Strategic benefits were achieved by large or small associations and economic benefits were achieved more by small associations.

Findings of this study reflect current developments in the real world where organizations are beginning to pay close attention to how their convention services are managed.
Successful convention outsourcing can be an effective management tool when an organization evaluate strategically in consideration of outsourcing benefits and service quality.
APPENDIX I

Survey Instrument Copy
Convention Outsourcing - Meeting Planner Survey

Dear Meeting Executives and Planners,

Thank you for participating in this survey conducted by a graduate student at the William F. Harrah College of Hotel Administration at the University of Nevada, Las Vegas (UNLV).

Your feedback is important. It is through your cooperation in studies such as this that the University and the convention industry advance the understanding of meeting planners' needs.

Anonymity Guaranteed. It is guaranteed that your individual responses will be kept completely confidential. The questionnaire will be received by the University of Nevada, Las Vegas; and the information will be compiled into an overall report so that individual responses cannot be disclosed.

Feedback from us. If you would like to receive the results of this study, please write your e-mail in the space provided at the end of the questionnaire.

Please answer the questions based on your most recent annual or largest meeting/convention.

Please indicate to which degree you outsource the following items. If you outsource PARTIALLY, please check "Other" and indicate the PERCENTAGE of use in the space (1%~99%).

1) Housing

- [ ] Do Not Outsource (0%)
- [ ] Total (100%)
- [ ] Other: 

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2) Registration

- Do Not Outsource (0%)
- Total (100%)
- Other: [blank]

3) Marketing & Promotion

- Do Not Outsource (0%)
- Total (100%)
- Other: [blank]

4) Tradeshow Management

- Do Not Outsource (0%)
- Total (100%)
- Other: [blank]

5) Off-site Catering Event

- Do Not Outsource (0%)
- Total (100%)
- Other: [blank]

6) Travel Agency

- Do Not Outsource (0%)
11) Tour Program
- Do Not Outsource (0%)
- Total (100%)
- Other: 

12) Special Events (Entertainment)
- Do Not Outsource (0%)
- Total (100%)
- Other: 

13) Audio/Visual Management
- Do Not Outsource (0%)
- Total (100%)
- Other: 

14) If you utilize other outsourcing services, please specify.

Please indicate the degree of your agreement/disagreement with the following statements. These questions concern your OVERALL SATISFACTION with OUTSOURCING BENEFITS.

15) Overall, outsourcing the service(s) has let us focus more on core activities (meeting/convention objectives)

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Somewhat Agree</th>
<th>Neutral</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

16) Overall, outsourcing the service(s) has improved service to our members and attendees.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Somewhat Agree</th>
<th>Neutral</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
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</tbody>
</table>

17) Overall, outsourcing the service(s) has reduced concern of liability issues.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Somewhat Agree</th>
<th>Neutral</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
</tr>
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</tr>
</tbody>
</table>

18) Overall, outsourcing the service(s) has helped us to control operating expenses.
<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Somewhat Agree</th>
<th>Neutral</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
</tr>
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<tbody>
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</tr>
</tbody>
</table>

19) Overall, outsourcing the service(s) has helped us avoid capital expenditure (purchasing equipment etc.).

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Somewhat Agree</th>
<th>Neutral</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
</tr>
</thead>
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</tr>
</tbody>
</table>

20) Overall, outsourcing the service(s) has helped us better manage on-site meeting activities.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Somewhat Agree</th>
<th>Neutral</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

21) Overall, outsourcing the service(s) has allowed us to better utilize our internal staff.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Somewhat Agree</th>
<th>Neutral</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

22) Overall, outsourcing the service(s) has allowed us to utilize experts in specific fields to improve our event.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Somewhat Agree</th>
<th>Neutral</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
23) Overall, we are satisfied with the benefits from outsourcing.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Somewhat Agree</th>
<th>Neutral</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

24) If you have other benefits from outsourcing services that differ from the above, please specify.

Next Page

Convention Outsourcing - Meeting Planner Survey

25) Please indicate the level of IMPORTANCE of the following items that YOU OURSOURCE. If you don't use the item, please indicate "Do NOT Use".

<table>
<thead>
<tr>
<th>Very Important</th>
<th>Important</th>
<th>Somewhat Important</th>
<th>Neutral</th>
<th>Somewhat Unimportant</th>
<th>Unimportant</th>
<th>Very Unimportant</th>
<th>Do NOT use</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Housing
- Registration

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26) Please indicate the level of IMPORTANCE of the following items that YOU OUTSOURCE. If you don't use the item, please indicate "Do NOT Use." (CONTINUED)

<table>
<thead>
<tr>
<th>Item</th>
<th>Very Important</th>
<th>Important</th>
<th>Somewhat Important</th>
<th>Neutral</th>
<th>Somewhat Unimportant</th>
<th>Unimportant</th>
<th>Very Unimportant</th>
<th>Do NOT Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground Transportation</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Information System Management (e-mail station)</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Site Selection</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Meeting Management</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Tour Program</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Special Events (Entertainment)</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Audio/Visual Management</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
</tr>
</tbody>
</table>
Convention Outsourcing - Meeting Planner Survey

27) Please indicate the level of your SATISFACTION with PERFORMANCE of the following items that you outsource. If you don't use the item, please indicate "Do NOT Use."

<table>
<thead>
<tr>
<th>Item</th>
<th>Very Satisfied</th>
<th>Satisfied</th>
<th>Somewhat Satisfied</th>
<th>Neutral</th>
<th>Somewhat Dissatisfied</th>
<th>Dissatisfied</th>
<th>Very Dissatisfied</th>
<th>Do NOT Use</th>
</tr>
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<tbody>
<tr>
<td>Housing</td>
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<td>Registration</td>
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<td>Marketing &amp; Promotion</td>
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<td>Tradeshow Management</td>
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<td>Off-Site Catering Event</td>
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<td>Travel Agency</td>
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</table>

28) Please indicate the level of your SATISFACTION with PERFORMANCE of the following items that you outsource. If you don't use the item, please indicate "Do NOT Use." (CONTINUED)

<table>
<thead>
<tr>
<th>Item</th>
<th>Very Satisfied</th>
<th>Satisfied</th>
<th>Somewhat Satisfied</th>
<th>Neutral</th>
<th>Somewhat Dissatisfied</th>
<th>Dissatisfied</th>
<th>Very Dissatisfied</th>
<th>Do NOT Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground Transportation</td>
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<tr>
<td>Information System Management (e-mail station)</td>
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</tbody>
</table>
### Convention Outsourcing - Meeting Planner Survey

**Site Selection**

- [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

**Meeting Management**

- [ ] [ ] [ ] [ ] [ ] [ ] [ ]

**Tour Program**

- [ ] [ ] [ ] [ ] [ ] [ ] [ ]

**Special Events (Entertainment)**

- [ ] [ ] [ ] [ ] [ ] [ ] [ ]

**Audio/Visual Management**

- [ ] [ ] [ ] [ ] [ ] [ ] [ ]

---

**Tell us about your association.**

---

29) Which of the following best describes the membership of your association?

- [ ] International
- [ ] National
- [ ] State
- [ ] Regional
- [ ] Local
30) Which of the following best describes you as a meeting planner?

- Association
- Corporate
- Independent
- Other: 

31) How large is the membership of your association?

- Less than 1,000
- 1,000 to 4,999
- 5,000 to 9,999
- 10,000 to 24,999
- 25,000 to 49,999
- 50,000 or more

Tell us about yourself.

32) Your Age

- 25 or below
- 26-34
- 35-44
- 45-54
- 55 or above

33) Your Gender
34) Level of Education

- High school or less
- Vocational/Technical school
- Some college
- College degree
- Graduate degree

35) This survey system does not indicate your e-mail address. To PREVENT ADDITIONAL E-MAILS of this survey, please write YOUR E-MAIL ADDRESS below and your name will be removed.

36) If you would like to receive the results of this study, please write your e-mail in the space provided.
Thank you very much for your participation. Contact. If you have any questions, or would like any further details of the study, please do not hesitate to contact at (702) 699-9972 or roh_UNLV@hotmail.com.
APPENDIX II

UNLV Human Subject Research Protocol Approval
Notice of Approval to Conduct Research Involving Human Subjects

DATE: March 4, 2003

TO: Hee Jung Ro, Hotel Administration
    Dr. Curtis Love (Advisor)
    M/S 6023

FROM: Dr. Fred Preston, Chair
      UNLV Social Behavioral Sciences Institutional Review Board

RE: Status of Human Subject Protocol Entitled: Convention Outsourcing an Examination of Outsourcing Benefits and Service Quality of Convention Services Outsourced for Association Meetings

OPRS# 600S0103-067
Approval Date: February 27, 2003

This memorandum is official notification that the protocol for the project referenced above has been reviewed by the Office for the Protection of Research Subjects (OPRS) and has been determined as having met the criteria for exemption from full review by the UNLV Social Behavioral Sciences Institutional Review Board (IRB) as indicated in regulatory statutes 45CFR 46.101. The protocol has been reviewed via the expedited review process and has been approved for a period of one year from the date of this notification. Work on the project may proceed.

Should the use of human subjects described in this protocol continue beyond March 4, 2004, it will be necessary to request an extension. Should there be ANY changes to the protocol, it will be necessary to submit those changes to the Office for the Protection of Research Subjects.

If you have questions or require any assistance, please contact the Office for the Protection of Research Subjects at 895-2794.

Cc: OPRS File

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REFERENCES


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Struebing, L., (1996). Outsourcing is the answer - or is it?, Quality Progress, 29(3), 20


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Kyung Hee University Scholarship for Outstanding Academic Achievement, 1996-1997

Thesis Title: Convention Outsourcing: An Examination of Outsourcing Benefits and Service Quality of Convention Services Outsourced for Association Meetings

Thesis Examination Committee:
Chairperson, Dr. Curtis Love, Ph.D.
Committee Member, Dr. Billy Bai, Ph.D.
Committee Member, Dr. Collin Ramdeem, Ph.D.
Graduate Faculty Representative, Dr. William Corney, Ph.D.