ASSESSMENT OF SERVICE QUALITY- A CONCEPTUAL FRAMEWORK

Reena (Ramneek Kaur)¹ and Dr. Tejinder Sharma²

¹Ph.D Scholar, Department of Commerce, Kurukshetra University, Kurukshetra, India.
²Associate Professor, Department of Commerce, Kurukshetra University, Kurukshetra, India

ABSTRACT

INTRODUCTION

The concept of service quality has been widely explored but the literature indicates towards the development of industry specific tools for measuring service quality. SERVQUAL, though a very widely used tool, is insufficient in explaining the quality constructs of all the units within the service industry.

Purpose: The present study is focused on understanding the theoretical framework of service quality through the examination of literature on service quality and proposes a model indicating need for industry specific instrument in measuring service quality and its effect on service quality perceptions.

Method: Extensive review of literature has been done by the authors for the purpose of this study. The authors have traced various conceptual and empirical studies of service quality and its practice to understand the conceptual framework of service quality.

Findings and Implications: The study leads to better understanding of the concept of service quality. The conceptual framework can be developed in the form of a model that can be empirically tested in future studies.

Keywords: Service Quality, Customer Satisfaction, Service Dimensions, SERVQUAL.

Article Classification: Conceptual paper.
INTRODUCTION

Service sector has become the dominant element in industrialized and developing economies. Literature on services marketing reveals that the service sector encompasses a varied and complex range of organizations. Service industry is now a dominant sector and has been instrumental in changing the way marketers and customers think.

Gronroos (1982) discussed three distinct characteristics that differentiate services sector from manufacturing sector:

1. Services are intangible
2. It is an activity
3. Production and consumption are simultaneous.

The difference between goods and services from the consumers’ point of view is that the consumer is the part of the process and is instrumental in the materializing the service exchange. This acts as a psychological contract where needs are gratified in exchange for not only money but time and effort as well (Scheinder and Bowen, 1999). Consumer feels more involved because of the intangible nature of the activity, he is unable to evaluate such exchange appropriately but some level of quality is ultimately perceived. Consumers’ concern about quality has increased because of his inability to correctly assess the quality of services and marketers’ concern has increased because when a service is rendered, quality of services is only perceived to be rendered. In the words of Groth and Dye (1999), “a service is contemplated, expected and received whereas quality is contemplated, expected and perceived.” Perception of quality may be radically different from actual quality rendered. Customers define quality of service on the basis of their own criterion due to which the perceived service quality may be sometimes higher than actual or may be otherwise (Groth and Dye, 1999). Hence the term quality as in services has no definitive measure, what meaning it takes depends upon what the consumer expected. Researchers have identified service quality as a major determinant of performance in external market and have found positive relationship between service quality and customer satisfaction. According to Ghobadian and Jones (1994) companies with higher perceived quality of services typically have higher returns and market share. Such conclusions invited researchers on exploring further and identifying determinants of service quality and methods of measuring customer perception of service quality.

UNDERSTANDING SERVICE QUALITY

Service quality is an elusive, indistinct and abstract concept (Sachdev and Verma, 2004). Parasuraman, Zeithmal and Berry, (1988) described service quality as a global judgement or attitude relating to the superiority of the service and it continues to increase in importance as service industry grows and outnumbers manufacturing organizations (Storbacha, Strandvile and Gronroos, 1994). Ghobadian et al (1993) discussed quality by classifying it into five generic categories relevant to service organizations.

1. Transcendent: Quality is defined as innate excellence that is identified in a relationship between individual’s salience and perceived quality.
2. Product Led: Quality is equal to the units of goodness served as a part of package of goods and services, more be the number of such units, higher will be the perceived quality.

3. Supply Led: Quality here refers to the ‘conformance to requirements’. The focus of quality is internal rather than external. It is assessed in terms of organization’s ability to supply what is required (Crosby, Taguchi).

4. Customer Led: This approach describes quality as organization’s ability to assess customer’s requirement and satisfy such requirements (Deming, Juran). This definition is more appropriate where high contact between customer and service provider is required.

5. Value Led: Quality in this context is the customer’s evaluation of quality, price and availability taken together. The customer will perceive value on the basis of what equation derives form the combination.

Gummeson (1991) described quality as the ‘love factor’ between service provider and the service receiver. Quality is not to be purely assumed as a rational, logical and impersonal output of a production system, for services, it is a matter of heart that involves interaction, empathy, compassion, emotions, involvement etc.

MEASURING SERVICE QUALITY

Quality is a multidimensional phenomenon. Meeting the customers’ quality perception is possible only if relevant determinants are identified. Gronroos identified three dimensions of service quality, the technical quality of outcome, the functional quality of service encounter and the corporate image. Lehtinen and Lehtinen (1991) also proposed three dimensions of service quality as physical quality, corporate quality and interactive quality whereas Rust and Oliver (1994) proposed a tri-component model where a customers overall perception is based on his evaluation of customer-employee interaction, the service environment and the outcome.

According to Garvin (1984), Service quality can be assessed through eight dimensions.

1. **Performance:** These are the core or the primary characteristics that the service is bound to provide.
2. **Features:** All those characteristics that add value to the services.
3. **Reliability:** It refers to the ability to provide the same levels of service over a extended time period.
4. **Conformance:** Ability to conform to certain predefined quality standards.
5. **Durability:** How much value addition is done by the service.
6. **Serviceability:** Ability to absorb and rectify the flaws that exist within the services.
7. **Aesthetics:** The overall appeal of the service in mindset of the consumers.
8. **Perceived quality:** The perception image and the feeling that customers have regarding the services.

Parsuraman et al (1985) proposed ten dimensions on the basis of qualitative research namely:

1. **Tangibles:** Appearance of physical facilities, equipment, personnel and communications materials.
2. **Reliability:** Ability to perform the promised service dependably and accurately.
3. Responsiveness: Willingness to help customers and provide prompt service.
4. Competence: Possession of the required skills and knowledge to perform the service.
5. Courtesy: Politeness, respect, consideration, and friendliness of contact personnel.
8. Access: Approachability and ease of contact.
9. Communication: Keeping customers informed in language they can understand and listening to them.
10. Understanding the Customer: Making the effort to know customers and their needs

Some researchers opined that the relevance of dimensions should vary according to the sector in which those are applied. The dimensions that may undertake the correct measurement in hospitality sector may not be equally valid in retail sector. Dhabolkar et al (1996) proposed five dimensions to be found relevant to the retail context namely physical aspects, reliability, interaction, problem solving and policy. Siu and Cheung (2001) empirically tested dimensions of service quality in retail and found personal interaction, policy, physical appearance, promises, problem solving and convenience to be the important determinants. Severt, Rompf and Severt (2007) in their study on hospitality sector confirmed three important determinants of customer perception of satisfactory service encounters, procedural fairness, interactive fairness and distributive fairness. Jones (2004) developed a scorecard for service excellence in bank services and suggested three factors relevant for banking sectors: 1. technical factors-speed, accuracy, efficiency, availability, 2. Interpersonal factors, 3. Environmental factors. Gilbert and Wong (2003) identified reliability, assurance, facilities for employees, flight patterns, customization and responsiveness to be the determinants of airline service quality.

Preposition 1: Right identification of service quality dimensions lead to valid assessment of service quality.

INSTRUMENTS FOR MEASURING SERVICE QUALITY

Parasuraman et al (1988) identified the need to operationalise the SQ measurement. The empirical testing of the ten dimensions they proposed on the basis of qualitative research led to the development of a 22 item instrument known as SERVQUAL containing five dimensions called the RATER model. The instrument determines the disconfirmation of an experience based upon the differences between the perception and the expectations of service quality. When perception exceeds expectations, the results represent satisfaction, and when the perception is less, it represents dissatisfaction. The original instrument contains 22 items across 5 dimensions. The subjects answer each question twice once based upon perceptions and once on expectations, which then creates a P-E gap score. The overall service quality is determined by the sum of all the gap scores.

SERVQUAL became a widely used tool for measuring service quality. Researchers have been using SERVQUAL and modifying it to make it adaptable to the needs of services under consideration. SERVQUAL invited criticism regarding the generalizability of the dimensions and the overlapping meaning of the dimensions (Carman, 1990; Rao and Kelkar, 1997). Asubonteng et al (1996) recommended customized testing of dimensions relevant to each sector. The further examination and assessment of SERVQUAL brought forward a view that criticized expectations as irrelevant and misleading for the evaluation of service quality
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(Robeldo, 2001). Carman (1990) opined that two battery instrument measuring expectations and perception separately is inappropriate in terms of reliability and questionnaire length. The respondent will always have the tendency to rate expectation (what is desired) higher than perception (what is perceived to be received) (Wall and Payne, 1973). Cronin and Taylor (1992) proposed a new tool based on perception only paradigm known as SERVPERF. This model considered 22 items of servqual perception statements. Perception only construct was supported by Boulding et al. (1999) and Quester et al. (1995). Teas (1993) developed Evaluation of Performance (EP) scale to measure service quality using assessment of perception only. Othman and Owen (2001) studied service quality in Islamic banks and developed a modified scale of SERVQUAL consisting 34 dimensions. The model Known as CARTER model considered compliance with law as another dimension relevant to Islamic banks. Knutson et al. (1993) refined the SQ model developed by Parasuraman et al. (1988) and came up with a 26- item LODGSERV scale to measure customers’ expectation for SQ in their hotel experiences. The model considered that customer expectations should be different, depending on the three different price segments (economy, mid-priced and luxury) of hotels. Preposition 2: Industry-specific instrument of measuring service quality results in correct assessment of service quality perceptions.

RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION

Service quality has become an important parameter to identify the customer satisfaction from the services. It has been observed that if a customer perceives service quality of the organization as positive, the level of satisfaction will also be positive. This construct is valid because the interactions the customers have with the organization during the service encounter in terms of physical environment and interpersonal dealing determines whether or not a consumer gets a delightful service experience and if he will avail the service in future as well. Cronin and Taylor (1992) observed service quality as vital antecedent to the customer satisfaction. Customer satisfaction is believed to affect post purchase behavior, perception and future decisions. Anderson and Sullivan (1993) proposed strong linkages between service quality and overall customer satisfaction. Identification of customers’ requirements and measurement of customer satisfaction are the two crucial marketing activities. The service quality construct helps in better assessment of what the customers require and whether or not they are satisfied with what is being provided. High service quality induces repeat behavior thus positively influencing behavioral intentions, hence enhancing performance (Bolton, 1998). Olorunniwo et al. (2006) observed that satisfaction fully mediates the impact of service quality on behavioural intentions.

Researchers have explored the possibility of relationship between service quality and customer satisfaction in various sectors of service industry and revealed similar findings. Bartlett and Han (2007) studied service quality in restaurant business and identified service quality as an important determinant of customer satisfaction. Lee and Hwan (2005) studied relationship between service quality, customer satisfaction and profitability in banking industry and proposed that service quality is an antecedent of customer satisfaction and customer satisfaction is an antecedent of profitability. Another line of thinking prevails that service quality is not only a precursor to customer satisfaction; it is actually the measure of customer satisfaction. Customers’ perception of service quality may be taken an indicator of customer satisfaction from that service. Ahmed et al. (2010) explored the idea of using
service quality dimensions as a method to assess customer satisfaction. Angelova and Zekiri (2011) used service quality construct in measuring customer satisfaction in mobile phone services and found that customers did not perceive service quality as positive and hence they are not satisfied. Chakarborty and Majumdar (2011) used SERVQUAL as a tool to assess customer satisfaction in healthcare sector.

**Preposition 3:** Positive customer perceptions of service quality indicate customer satisfaction

**Preposition 4:** Positive customer perceptions of service quality results in customer satisfaction

**CONCLUSION**

The concept of service quality has been widely explored but the literature indicates towards the development of industry specific tools for measuring service quality. SERVQUAL, though a very widely used tool, is insufficient in explaining the quality constructs of all the units within the service industry. To understand the factors that contribute towards building service quality industry and to assess the customer perception regarding service quality, quality determinants particular to given industry need to be identified, for example the determinants of service quality for banking industry might not be same as the determinants of service quality in hospitality sector because in both the cases the quality expectations of the customers would be different. If the service quality is measured through well-defined dimensions of service quality related to the concerned industry, the marketer would be able to rightly understand the customer perceptions and can adopt suitable strategies to enhance the level of perceived service quality and ensure customer satisfaction. On the basis of the prepositions derived from the literature following model can be developed.

**IMPLICATIONS**

The present study is focused on understanding the theoretical framework of service quality through the examination of literature on service quality. Prepositions made on the basis of literature indicate towards development of industry-specific instruments for measuring service quality. Empirical investigation of the proposed model needs to be undertaken in various units of service industry like hospitality industry, healthcare, education, entertainment, financial services etc. To know the effect of industry specific instrument data should be collected both on the common instrument and the specific instrument and the result of service quality perceptions should be compared. The study should be repeated on a different time-frame to assess the difference of customer satisfaction mediated by adoption of marketing strategies identified on the basis of understanding of customer perceptions.
REFERENCES


