

CHAPTER 2

LITERATURE REVIEW

The role of service quality as an indicator of passenger's satisfaction and organizational performance is now widely acknowledged and has led to a major research thrust in recent years. Firstly, the literature survey focuses attention on the growing importance of passenger service and service quality, and considers the frequently used terms: "expectations", "satisfaction", and "quality". These terms are looked at in relation to airport service. This chapter also focuses on the existence of service quality gaps and the various dimensions or determinants of service quality which have been postulated and researched by both academics and practitioners. A number of service quality studies are cited, and the most well-known service quality measurement tool, SERVQUAL, is presented together with discussion of its limitations and suggestions for improvement.

Passenger Service and Service Quality

Passenger service provided within airports continues to gain in importance. Passengers are becoming more aware of the alternatives on offer, and rising standards of service, prompted by competitive trends, have increased passenger expectations (See example, Leonard & Sasser, 1982, p. 167; Takeuchi & Quelch, 1983, p. 141). In addition, passengers are becoming

increasingly critical of the quality of service they experience (Albrecht & Zemke, 1985, p. 27). Expectations are the desires or wants of passengers, what they feel a service product should offer. These are formed on the basis of previous experience with a company and its marketing mix inputs which include physical evidence, process and people (Booms & Bitner, 1981, p. 50). The physical environment comprises facilitating goods and tangible clues which may be essential or peripheral to the service being bought; process refers to service delivery systems; and “people” comprise those service personnel (both passenger-contact and back-room) who are integral to the production of a service.

Management needs to be aware of the passengers’ needs and advances in technology that enable organizations to facilitate the passenger company exchange at the point of contact. Also, increasingly sophisticated marketing/management information systems have allowed management to implement some passenger-orientated ideas which would have been near impossible ten years ago, e.g. passenger databases.

As a consequence of these trends, together with an increasingly competitive environment in most service industries, many organizations consider the quality of service they provide to be a critical factor in achieving a differential advantage over their competitors. Leonard and Sasser (1982, p. 166) claim that quality has become a major strategic variable in the battle for market share. This is echoed by Berry, Bennett, and Brown (1989, p. 26) who believe that service excellence is a key strategic weapon. Thus, quality is often a key variable in strategic planning, and organizations which

are becoming leaders in quality service are characterized by the commitment of top management and a corporate culture that encourages a consumer and quality focus throughout the company.

Service Encounters

Before moving on to define service quality, mention should be made of the notion of the “service encounter”, also referred to as “moments of truth” or “critical incidents” (See example, Albrecht & Zemke, 1985, p. 27). A service encounter is the interaction between a service organization and its passengers/clients, and may take varying forms: Face-to-face, over the telephone, by letter, or by automated means. Every time a passenger comes into contact with any aspect of the organization he/she has an opportunity to form an impression of the service provided. A characteristic of most service provision is the simultaneous production and consumption which necessitates interpersonal interaction between an organization’s employees and its passengers. Such encounters typically have a high “impact” on the consumer, and the quality of the service encounter is thus a vital ingredient in the overall quality of service experienced by the passengers. Recent perspectives and research activities relating to service encounters are reported by Bitner (1990, p. 74); Bitner, Booms, and Tetreault (1990, p. 72); Lewis and Entwistle (1990, p. 69).

Defining Service Quality

Although it is now well accepted that service quality is important for corporate strategy and planning, there are no clear cut definitions of quality.

A variety of definitions of service quality have been proposed (e.g., Grönroos, 1982, p. 39; Parasuraman et al., 1988, p. 16; Roest & Pieters, 1997, p. 340). Most of these definitions focus on meeting customer needs and wants. Grönroos (1983, p. 37), for example, defined service quality as “the outcome of an evaluation process where the customer compares his/her expectations with the service that he/she perceived.” In other words, perceived service is evaluated against expected service. Consistent with this perspective, Parasuraman et al. (1988, p. 19) viewed service quality as the “gap” between customers’ expectations and perceptions of the actual service. Roest and Pieters (1997, p. 339) provided a similar perspective on service quality, contending that service quality is a relative and cognitive discrepancy between experience-based norms and performances concerning service benefits. Roest and Pieters argued that service quality should not include an affective component, which they view as more appropriately placed with customer satisfaction. However, Binter and Hubbert (1994, p. 81) regarded service quality as an attitude, rather than a disconfirmation between consumer expectations and perceptions. Bolton and Drew (1991, p. 378) empirical study confirmed Binter’s viewpoint by showing that service quality is strongly affected by service performance.

Moreover, a number of scholars suggested the definition of service as the business activity that focuses on meeting passengers’ needs and

requirements. For example, Lewis and Booms (1983, p. 100) believe that service quality is a measure of how well the service level delivered matches passengers' expectations. Creedon (1988, p. 25) says his own corporate objective is "to meet or exceed our passengers' expectations", and "providing a better service than the passenger expects" was a comment from a study in the banking sector (Lewis, 1989, p. 105). Additionally, a number of definitions refer to comparisons by passengers of expectations of service with their perceptions of actual service performance (e.g. Berry et al., 1985; Grönroos, 1982, p. 29).

The term "expectations", as used in the service quality literature, differs from the way it is used in the consumer satisfaction literature. In the satisfaction literature, expectations are viewed as "predictions" made by the passengers about what is likely to happen during an impending transaction. According to Oliver (1981, p. 33): "It is generally agreed that expectations are consumer-defined probabilities of the occurrence of positive and negative events if the consumer engages in "some behavior". In contrast, in the service quality literature, expectations are viewed as desires or wants of passengers, i.e. what they feel a service provider should offer rather than would offer. The passengers' expectations or wants will be influenced by past experience. It has been found that, if expectations are held constant, higher levels of performance lead to higher evaluations (Oliver, 1977, p. 248). One then has a situation where if expectations are greater than performance, the perceived quality is less than satisfactory. That is not to say the service is of low quality. The tautology exists that if expectations are greater than performance, for example in an airport, then although perceived quality may be low, the

actual standard of service in absolute terms will still be higher than in another airport. This tautology adds confusion to any discussion of good or bad service quality using an expectation versus performance model.

The difference between quality and satisfaction has also been a point for debate.

Oliver (1981, p. 27) defines satisfaction as being a “summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer’s prior feeling about the consumption experience”. Almost all definitions of satisfaction relate to a specific transaction, while an attitude towards a product is a much more enduring characteristic and is less situationally orientated. In Oliver’s (1981) words, “satisfaction soon decays into one’s overall attitude toward purchasing products” (p. 27). Consistent with the distinction between satisfaction and attitude is a distinction between service quality and satisfaction; perceived service quality is a global judgment, or attitude, relating to the service, whereas satisfaction is related to a specific transaction (Parasuraman et al., 1988, p. 17). In fact, Parasuraman et al. (1985, p. 44) have reported several illustrations of instances where respondents were satisfied with a specific service, but did not feel that the service was of high quality.

Quality Gaps and Dimensions

Parasuraman et al. (1985, p. 42) defined the quality perceived in a service to be a function of the gap between passengers’ expectations of the service and their perceptions of the actual service delivered by the organization,

and suggested that this gap is influenced by several other discrepancies or gaps which may occur within the organization. Their research among company executives led to the identification of four key gaps/shortfalls:

Gap 1: Management's perceptions of both internal and external passengers' expectations are different from actual passengers' desires, i.e. managers do not necessarily know what passengers want and expect from the company.

Gap 2: Actual service quality specifications are different from management's perceptions of passengers expectations, i.e. even if consumer needs are known, appropriate specifications of service may not always be set, possibly because of lack of resources, organizational constraints or an absence of management commitment to a service culture and service quality.

Gap 3: The service that is delivered is different from management's specifications for service, i.e. guidelines may be set, but high quality may not be certain due to (for example) variations in performance of contact personnel: Employees not being able or willing to perform at a desired level.

Gap 4: What is said about the service in external communications is different from the service that is delivered. External communications such as advertising and promotion can influence passengers' expectations and perceptions of the delivered service and so it is important not to promise more than can be delivered.

Service Quality Gap

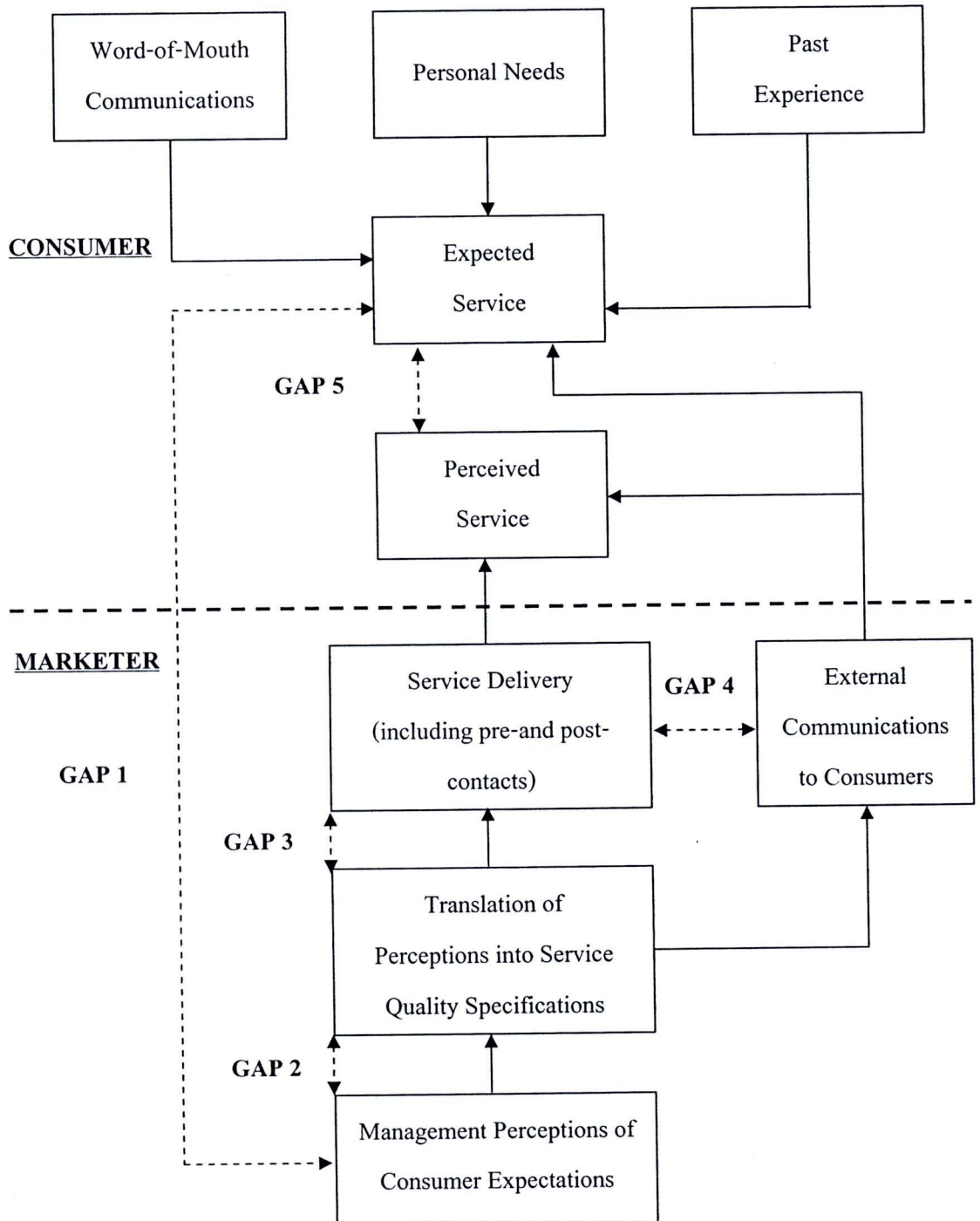


Figure 1 Service quality gap.

Note. From "A conceptual model of service quality and its implications for further research," by Parasuraman et al., 1985, *Journal of Marketing*, 49, p. 47.

The most important gap to consider is that perceived by the consumer, Gap 5, i.e. the difference between expectations and perceptions of actual service; but what are the factors on which passengers evaluate the service offering? The airport industry is not resistant to the “quality revolution” which has been taking place even though it was somewhat late in adopting some of the principles. Structural changes such as commercialization, privatization, and globalization, together with an increased competition between airports give confidence to airports to place more emphasis on quality. Airports which had become regulated in their post-privatization stage such as London or even Australian airports also found that their service quality became the subject of increasing inspection and study. Moreover, pressure was coming from traveling public who were becoming more experienced and demanding consumers of the airport product.

As mentioned previously, most service industries face a certain problem with measuring the quality of service because of the uneven characteristic spread of the demand. For instance, with many airports, a terminal will look and feel very different on a quiet day in comparison to a busy day. Similarly, passenger flows in the early morning or evening at the airport usually involve short-haul business traffic which will be considerably greater than at other times of the day. This is bound to play a major role in influencing the passenger’s view of the quality of service provided.

Airports also have other problems in that the overall service is produced as a result of the combined activities of various different organizations such as airlines, handling agents, customs and immigration

officials, information counters, as well as duty free shops or even restaurants. These different bodies may have different ultimate objectives and conflicting views on what determines satisfactory or good service (Lemer, 1992, p. 39). In effect, the airport operator only has partial control of all the processes which make up the final product. Areas of responsibility in this case have to be clearly identified and the airport operator must define a common goal as regards service quality.

Airports tend to serve passengers with very different expectations and so this is very unlikely to please and satisfy everyone's need. Traditionally very little segmentation has taken place at airports, with the most notable differentiation being separate check-in for economy and business class passengers and remote stands rather than air bridges for passengers travelling on charter or low-cost airlines. The level of segmentation has now increased with more and more business travelers having access to fast-track systems which guide them swiftly through various processes such as immigration and customs, and provide other services such as valet parking. The expanding use of airline lounges has also helped to separate business and leisure travelers. Most of the time airports still tend to offer one overall product which has to appeal to a very diverse collection of passengers. Some passengers may want to get through the airport as quickly as possible with minimum of disruptions, while others enjoy the opportunity of being able to spend more time such as eating or shopping.

Service also can be interpreted through the combination of its required elements. Ruyter and Wetzels (2000, p. 72) reviewed literature and indicated

some characteristics of service. First, service is a performance which happens through the interaction between customers and service providers. Second, other factors such as physical sources or environments play an important role in the process of service production and consumption. Third, service is needed by customers to provide certain functions such as problem solving. Finally, the authors concluded that these three characteristics of service combined lead to the argument that a service, combined with physical products, is experienced and evaluated by customers who have particular goals and motivations for consuming the service.

In order to identify the critical parts of a service, Normann (2000, p. 119) divided a service into two distinct components: Core and peripheral (or secondary) services. In an airport, for example, the core service could be airline sections, immigration, duty free, even food and parking etc. In a similar way, Peters (1989, p. 6) advocated the total product concept as a way of differentiation between service providers. It comprises four components: Generic, expected, augmented, and potential. The generic equates to the tangibles of services (the fixtures and fittings). The expected is the basic level of the core service. The augmented is the extra services, generally entailing the organization spending more money or resources, but is not necessarily noticeable to the customer. The potential is that which is offered over and above what is expected. Peters (1989, p. 6) suggested that in order to achieve competitive advantage, organizations must concentrate on and stress to customers the last two components: Augmented and potential service. Through the years, researchers and analysts have used one or more criteria to characterize services, identifying

various characteristics that are common to most services. The following four are the most mentioned characteristics that differentiate them from manufactured goods as the primary characteristics of services:

1. Intangibility: Most services are intangible. This characteristic can be understood most easily when one thinks about the tangible nature of goods. A good is a physical object; it can be touched, felt, sometimes smelled, or a food item that can be tasted. Services are not physical objects. They may utilize physical objects or be embodied in physical objects but they themselves are not physical. Most services are performances. A service such as legal advising usually involves the act of giving advice and representation of a client's business problem is not the real output of a consulting service; the real output is the ideas expressed in the report to solve the problem. Other services combine intangible outputs with physical outputs. Intangibility describes the uniqueness of services more succinctly than any other characteristics.

2. Inseparability: Provision and consumption of most services are inseparable. They can be consumed only when they are produced. A second form of inseparability is the inseparability of the customer from the service delivery process. In other words, most services cannot be stored for future use; the customer must be present when the service is created. Joint consumption of some services is provided for a large group of customers. This kind of service might be a cruise ship vacation or concert. Although each person's experience may be different in these services, the entire group may suffer from the behavior of an intoxicated and unruly patron. Consequently, in some services, what one customer experiences cannot be separated from the entire group's experience.

3. Perishability: Most services, because they are simultaneously produced and consumed, are considered perishable, non-inventoriable commodities. The person who phones in to a time service to find the correct time uses the service at the time it is provided; however, perishability may be different from a consumer's point of view. Although a customer cannot carry home a service after it is produced, he or she can enjoy the effects of the service long after it has been purchased. The perishability of services, coupled with the highly varying demand patterns that most services experience, requires that managers allocate service capacity carefully and attempt to actively manage service demand.

4. Variability: Most services are provided by people for other people. A service provider may perform a service on customer's body, mind or property. In any case, however, the customer and service providers must interact. The outcome of the service depends on the outcome of this interaction and on the customer's perception of it. When humans interact, results usually exhibit great variability and are not easily predictable. On one level, this means that even if the same person provides a service to several customers in exactly the same way, different customers may have different perceptions of what they have received and therefore experience different levels of satisfaction. On the other hand, the same person performing the same service may not deliver the exact same service at each performance. His/her physical and psychological condition play an important role in service industry, and these conditions may not always be the same every day.

Service Quality and Customer Satisfaction

Customer satisfaction is a major product of marketing processes that culminate in purchase decisions. A common working definition of a customer's feeling of pleasure or disappointment results from comparing a product's perceived outcomes (or performance) in relation to the customer's expectations (Kotler, 1997, p. 109). Expectations in this case are viewed as predictions about what is likely to happen (Parasuraman et al., 1988, p. 16). Similarly, Tse and Wilton (1988, p. 208) defined satisfaction as the consumers' response to the evaluations of perceived discrepancy between prior expectations of service outcomes based on previous experiences. Then an actual outcome (performance) occurs, expectations and performance are compared in the consumer's mind to establish a "calculated disconfirmation," which influences "subjective disconfirmations".

The distinction and relationship between service quality and customer satisfaction has received substantial attention in the literature (e.g., Anderson & Fornell, 1994; Bolton & Drew, 1991). A basic agreement emanating from the wide range of literature on service quality and customer satisfaction is that these two constructs are conceptually distinct but closely related (Parasuraman, Zeithaml, & Berry, 1994, p. 117; Shemwell, Yavas, & Bligin, 1998, p. 157). In terms of the direction of causality between service quality and customer satisfaction, most researchers support the argument that service quality leads to customer satisfaction. That is, service quality is an antecedent of customer satisfaction (Bitner & Hubbert, 1994, p. 77; Cronin & Taylor, 1992, p. 59; Spreng & MacKoy, 1996, p. 207). Further Bitner and Hubbert (1994, p. 77)

suggests that customer satisfaction or dissatisfaction is a “cognitive or affective reaction,” which emerges as a response to a single or prolonged set of service encounters. Satisfaction is thus a “post consumption” experience that compares perceived quality with expected quality, whereas service quality refers to a global evaluation of a firm’s delivery system (Anderson & Fornell, 1994, p. 129; Parasuraman et al., 1985, p. 43).

LeBlanc and Nguyen (1988, p. 10) have suggested that corporate image, internal organization, physical support of the service producing system, staff-customer interaction, and degree of customer satisfaction all contribute to service quality. Further Edvardsson, Gustaysson, and Riddle (1989) present four aspects of quality that affect customers’ perceptions:

1. Technical quality-to include skills of service personnel and the design of the service system.
2. Integrative quality-the ease with which different portions of the service delivery system work together.
3. Functional quality-to include all aspects of the manner in which the service is delivered to the customer, including style, environment and availability.
4. Outcome quality-whether or not the actual service product meets both service standards or specifications and customer needs/expectations.

However, possibly the most widely reported set of service quality determinants is that of Parasuraman et al. (1985, p. 45). They suggested that the criteria used by consumers that are important in molding their expectations and perceptions of delivered service fit ten dimensions: Tangibles, reliability, responsiveness, communication, credibility, security, courtesy, competence, understanding/knowing the customer, and access. Subsequent factor analysis

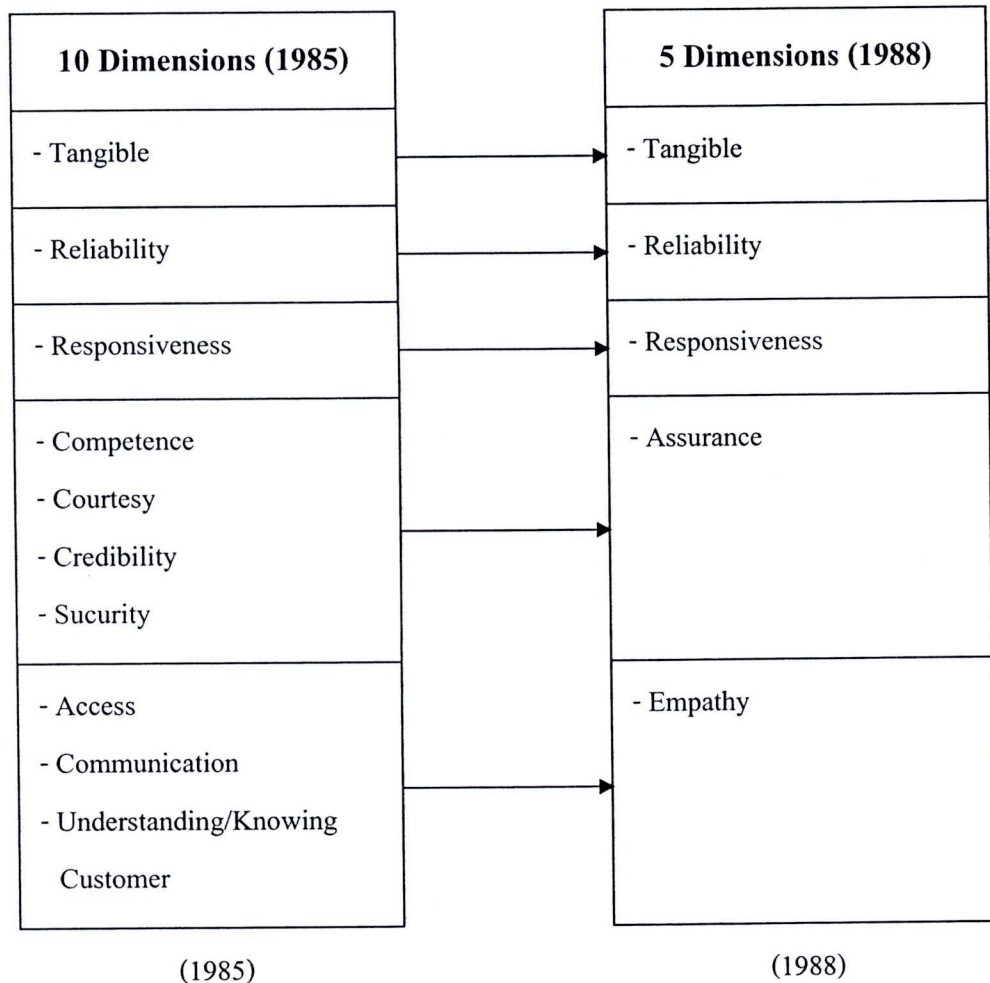
and testing led to these ten dimensions being condensed to five (Parasuraman et al., 1988, p. 18):

1. Tangibles-physical facilities, equipment, appearance of contact personnel.
2. Reliability-ability to perform the promised service dependably and accurately.
3. Responsiveness-willingness to help customers and to provide a prompt service.
4. Assurance-knowledge and courtesy of employees and their ability to inspire trust and confidence.
5. Empathy-caring, individualized attention the company provides its customers.

In addition, to these five determinants of service quality, Grönroos (1990, p. 47) has added a sixth dimension, that of recovery.

In developing the research pertaining to the determinants of service quality, a significant contribution has been made by Johnston, Silvestro, Fitzgerald, and Voss (1990, p. 380). Following investigation of the measures of quality they developed a set of 12 determinants of service quality: Reliability, responsiveness, appearance/aesthetics, cleanliness/tidiness, comfort, friendliness, communication, courtesy, competence, access, availability and security. Silvestro carried out an empirical investigation (Silvestro & Johnston, 1990) focused on 15 service quality factors which were categorized as either hygiene, enhancing or dual threshold factors. Hygiene factors are those factors which are expected by the customer, and failure to deliver will cause dissatisfaction. Enhancing factors are those factors, the delivery of which will lead to customer satisfaction but failure to deliver will not necessarily cause

dissatisfaction. Dual threshold factors are those which are expected by the customer: Failure to deliver will cause dissatisfaction, and delivery above a certain level will enhance customers' perceptions of service and lead to satisfaction.



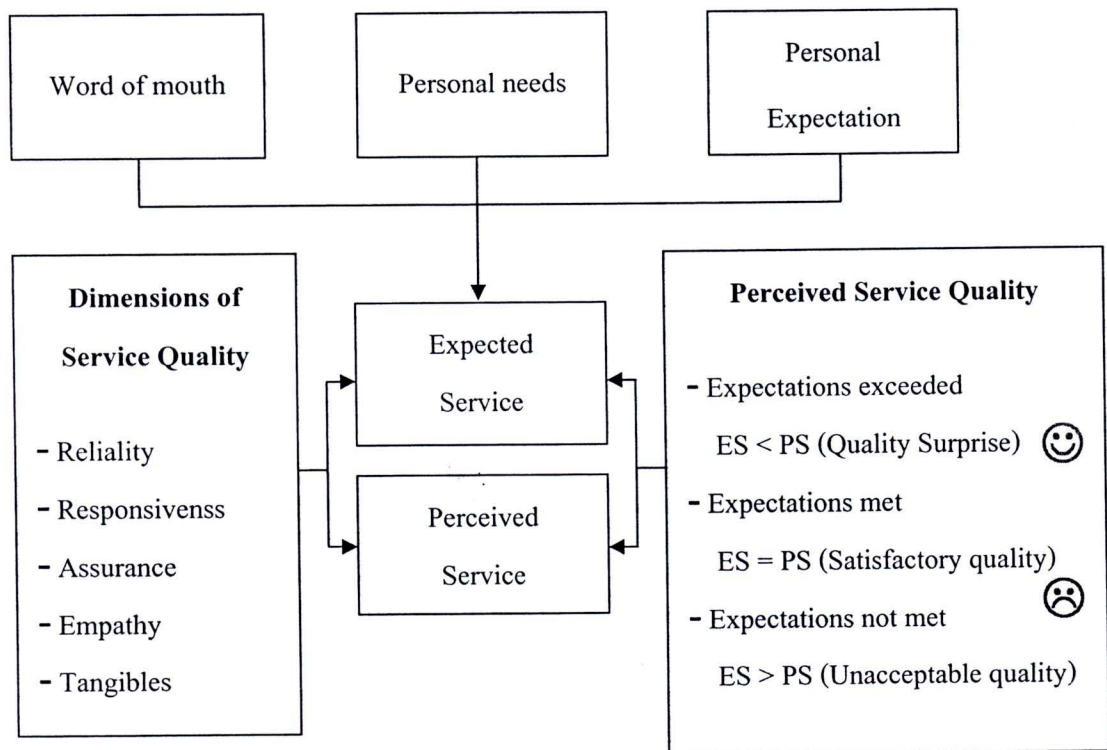
Fingers 2 Ten dimensions of service quality & relationship to five servqual dimensions.

Note. From “A conceptual model of service quality and its implications for future research,” by A. Parasuraman et al., 1985, *Journal of Marketing*, 49, p. 48.

1. “A conceptual model of service quality and its implications for future research,” by A. Parasuraman et al., 1985, *Journal of Marketing*, 49, p. 48.

2. “SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality,” by A. Parasuraman et al., 1988, *Journal of Retailing*, 64(1), p. 14.

Dimensions of Service Quality



Fingers 3 Dimensions of service quality.

Note. From “A conceptual model of service quality and its implications for future research,” by A. Parasuraman et al., 1985, *Journal of Marketing*, 49, p. 49.

Service Quality Measurement

Parasuraman et al. (1988, p. 16) outlined the challenge of developing methods to assess accurately the service quality gaps (1-5) which they described. They proposed a measurement instrument containing 22 statements developed from their five major dimensions of service quality (tangibles, reliability, responsiveness, assurance and empathy).

Each statement is recast into two statements-one to measure expectations about firms in general within the service category being investigated, and the other to measure perceptions about the particular firm whose service quality is being assessed. Approximately half of the statements are worded positively and the rest are worded negatively in accordance with recommended procedures for scale development (Churchill, 1979, p. 66). A seven-point scale ranging from “strongly agree” (7) to “strongly disagree” (1), with no verbal labels for scale points 2 to 6, accompanies each statement. Scale values need to be revised for negatively worded statements prior to data analysis. Examples of questions are:

E1 They should have up-to-date equipment:

Strongly disagree Strongly agree

1 2 3 4 5 6 7

P1 Company X has up-to-date equipment:

Strongly disagree Strongly agree

1 2 3 4 5 6 7

The quality perception or gap (Q) is calculated by subtracting the Expected scale values (E) from the Performance scale values (P). Therefore, $Q = P - E$. In addition, each individual item's Q value gives an overall quality value, which can be positive, i.e. performance is better than expected, or negative, i.e. performance is worse than expected. Substantial time and effort has been put into developing the 22 -item scale to establish both its reliability and validity. The final product, SERVQUAL (Parasuraman et al., 1988, p. 15), is a concise multiple-item scale with good reliability that can be used to understand better service expectations and consumer perceptions. One can look at trends over time or compare branches/outlets within an organization. It gives an indication of the relative importance of the five dimensions which influence customers' overall quality perceptions. With this, information priority areas can be targeted for management's attention and resources. Another application of the instrument is its use in categorizing a firm's customers into several perceived-quality segments (e.g. high, medium and low) on the basis of their individual SERVQUAL scores. These segments can then be analyzed on the basis of demographic, psychographic and/or other profiles.

The quality of these ideas depends critically on the accuracy of the measurement instrument. While SERVQUAL is seemingly a ready-made solution to the assessment of a service organization's performance, are there any other ways of obtaining the same information? What problems might a manager using SERVQUAL face? Although SERVQUAL can be treated as an off-the-shelf solution, a number of improvements are possible.

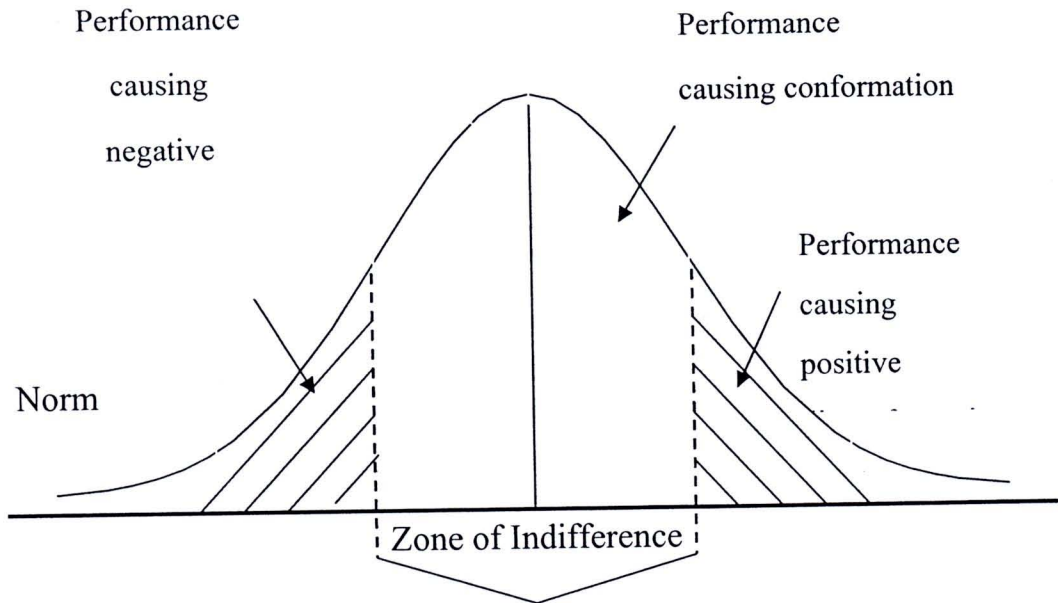


Figure 4 Relationship between supply performances, norm of performance and confirmation/disconfirmation.

The conceptual model of service quality uses a number of gaps as an explanation for the factors which influence service quality. This concept of a service gap needs further explanation. Figure 6 serves as an illustration.

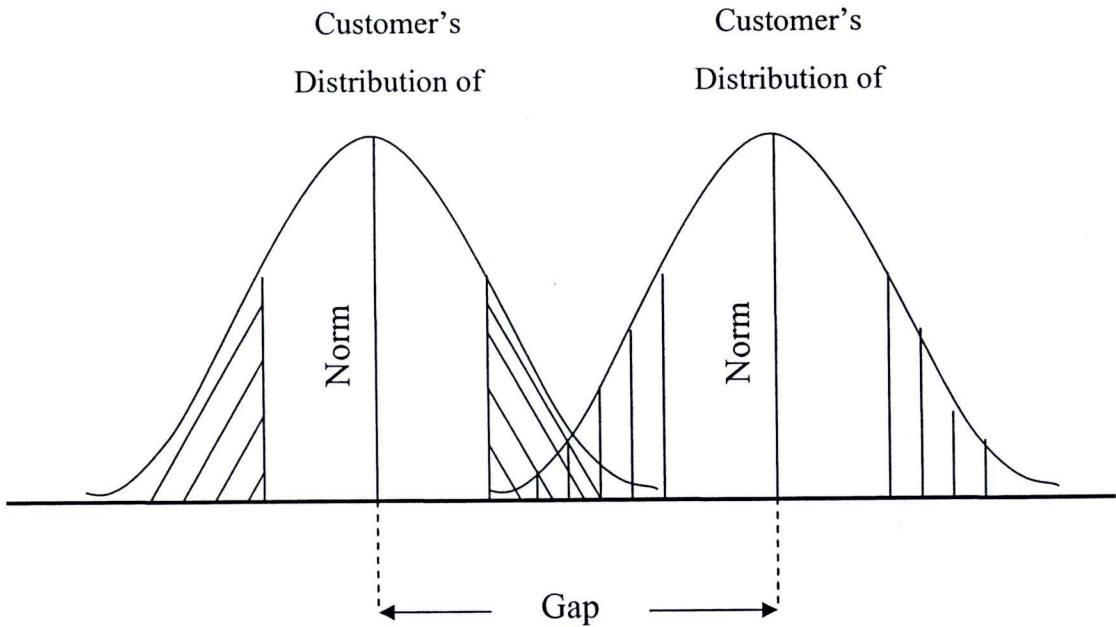


Figure 5 Customer's distribution of expected and actual performance.

In trying to measure the gap between the perceived service quality and the delivered service quality, two distributions of outcomes may be drawn. First, a distribution of expected service may be drawn with the expectation most likely to materialize indicated as the norm.

On the same basis, a distribution of the levels of perceived service performance may be drawn. A norm may be established by finding the average level which occurs. The service gap will now be indicated by the distance between the norm of expected service and the norm of perceived service. The ideal situation will occur when no gap exists between these norms. If this same principle is applied, a number of gaps which will influence customer satisfaction may be measured.

Parasuraman et al. (1994, p. 119) conceptual model, for instance, hypothesized that customer satisfaction is influenced simultaneously by service

quality, product quality, and price. While the fundamentally intangible nature of service itself has long been a central issue in research on the service industry (Bebko, 2000, p. 11; Lovelock, 1983, p. 12; Parasuraman et al., 1994, p. 114; Rathmell, 1966, p. 33; Rushton & Carson, 2000, p. 31; Shostack, 1977, p. 79; Wakefield & Blodgett, 1999, p. 52), the significance of tangibility as a dimension of service quality was recognized in the important findings of Parasuraman et al. (1988, p. 12). Indeed, most service industries at once offer both intangible services and tangible products to customers, in varying proportions (Rathmell, 1966, p. 33; Rushton & Carson, 2000, p. 25; Shostack, 1977, p. 75). It is worth noticing that tangible products, such as the food provided in a restaurant, differ from the tangible dimension of service quality which would be the interior decoration and tableware in the restaurant example. However, after the Parasuraman et al. (1994, p. 112) study, the impact of the quality of tangible products on customer satisfaction has rarely been discussed within the context of customer satisfaction research.

Much debate has followed the SERVQUAL model and has focused on two primary issues. First, although many studies have examined the concepts of customer satisfaction and service quality, little agreement has been reached on whether customer satisfaction results from the degree of service quality provided, vice versa, or neither. In an article examining the perceived quality of a festival, Crompton and Love (1995, p. 16) stated that “the service literature has left confusion as to the relationship between consumer satisfaction and service quality.” A thorough review of marketing and leisure literature focusing on customer satisfaction and service quality supports the argument

that consensus has not been reached (Absher, 1998, p. 129; Crompton & MacKay, 1989, p. 51; Cronin & Taylor, 1992, p. 56; Hamilton, Crompton, & More, 1991, p. 218; MacKay & Crompton, 1990, p. 49). Some authors have concluded that there is no distinction between satisfaction and service quality (Iacobucci, Ostrom, & Grayson, 1994, p. 32).

A second issue of concern with SERVQUAL and related models is the use of the terms “importance” or “expectation” with regards to measuring what a visitor expects or desires from an experience or encounter. Similar to the satisfaction versus service quality issue, little agreement has been reached, and the definitional issues are still being tested and debated (Absher, 1998, p. 127; Oh & Parks, 1997, p.42; Oh, 2001, p. 620). Parasuraman et al. (1985, 1988) suggest that service quality is concerned with what the service provider should provide. Some authors have indicated that a consumer’s “desires” or “ideal standard” should be measured (Fornell, 1992, p. 11; Spreng, Mackenzie, & Olshavsky, 1996, p. 24). Ryan (1999, p. 493) suggested that importance differs from expectation in that the former represents a desired outcome while the latter may be a tolerated outcome. Importance-Performance Analysis (IPA) measurement has been a frequently used method of relaying customer service feedback to managers (Guadagnolo, 1985, p. 17; Hammitt, Bixler, & Noe, 1996, p. 47; Hollenhorst, Olson, & Fortney, 1992, p. 4; Martilla & James, 1977, p. 78). Crompton and MacKay (1989, p. 48) state that measuring expectations and perceptions of quality is not enough in determining satisfaction, but that the importance of individual attributes must be identified so that management resources can be properly allocated. When attempting to identify the dimensions of service quality in a park setting, Hamilton et al. (1991, p. 215) indicated

that the desires of the user, not their expectations, should be measured against the level of performance.

In sum, while various authors have advocated particular measures, importance and expectations have been used interchangeably in the literature, sometimes in the form of importance-performance analysis and sometimes in the context of gap scores (Crompton & MacKay, 1989, p. 50; Toy, Rager, & Guadagnolo, 1989, p. 76; Weiermair & Fuchs, 2008, p. 130). Exactly what should be measured in a given situation remains unclear.

The importance of understanding consumers' expectations and desires is well documented (Grönroos, 1982; Parasuraman et al., 1985, 1988; Probst & Lime, 1989, p. 13). However, researchers have vacillated between the use of gap scores and performance-only measures. According to Anderson and Fornell (1994, p. 247), the primary debate surrounding this issue is:

...whether disconfirmation should be inferred from the mathematical difference between perceived quality and expectations or whether individuals' subjective disconfirmation should be measured directly.

The SERVQUAL model posits that service quality is calculated from subtractions between expectations and performance (Parasuraman et al. 1985, 1988; Zeithaml, Parasuraman, & Berry, 1990, p. 59; Zeithaml, Berry, & Parasuraman, 1993, p. 3). Other customer satisfaction research, however, has focused on only the performance of selected attributes, rather than obtaining the mathematical difference between performance and expectations.

In a critique of the gap method, Babakus and Boller (1992, p. 255), Carman (1990, p. 33) found that the expectation score was not necessary in determining satisfaction levels. Babakus and Boller reported that the

expectation score was clearly dominated by the perception score, and that the expectation score did not contribute to the difference in scores. Churchill and Suprenant (1982, p. 494), Oliver and DeSarbo (1988, p. 499) found that performance-only measures more directly affected overall satisfaction. Cronin and Taylor (1992, p. 58) reported only performance scores, concluding that there is not enough empirical evidence to warrant the use of the expectations minus performance gap as the basis for measuring service quality. Absher (1998, p. 125) conducted a study of the U.S. National Forests that used only performance items. He found that:

The simplified performance-measures-only model seems capable of providing important answers about visitors' desired conditions and the extent to which they are actually experienced.

Crompton and Love (1995, p. 14) noted that the debate on measures of satisfaction continues, and that there are benefits to using various methods. While the performance-only measures have generally been better predictors of satisfaction, the gap scores are useful in tracking trend data regarding visitor expectations over time. In addition, collecting both pieces of information allows for importance-performance analysis, an alternative method to gap analysis for assessing disconfirmation. In the model proposed, importance and performance ratings for the same items are plotted on a grid to demonstrate how well a service is being delivered. MacKay and Crompton (1990, p. 50) have noted that the SERVQUAL approach would have to be adapted to meet the needs of a particular service.

The SERVQUAL scale has also been criticized for its validity and reliability. Buttle (1996, p. 12) pointed out that including all 44 items

(22 items of service expectations and a duplicate of 22 items of service performance) in one study often makes the survey task too difficult for respondents. Cronin and Taylor (1992, p. 58, 1994, p. 129) have empirically proven that the measures of service performance or SERVPERF, is more effective than SERVQUAL, which includes expectations as well as performance. SERVPERF is now widely used in measuring customer evaluations of service quality (Cunningham, Young, & Gerlach, 2009, p. 13).

The vital contributions by numerous researchers over the years have to be admired. Yet, given the subsequent evolution of service markets, offerings, and technologies, it seems appropriate to pose the question: If scholars were starting from scratch today to develop the field of services marketing, would they employ the same underlying assumptions and develop broadly similar conceptual frameworks? It is contended that we should examine the validity of the current core paradigm of services marketing, namely, the assertion that four specific characteristics-intangibility, heterogeneity, inseparability, and perishability-make services uniquely different from goods. These characteristics, which for simplicity are collectively referred to as “IHIP,” have been staples of service research and teaching for more than two decades. But we need to ask if they are grounded in empirical research or are merely theoretical constructs that are subject to ambiguous interpretation.

The methodology of this dissertation is based on the critique of the SERVQUAL model and the argument that the first construct of the service encounter is based upon an interactive process between a service provider and a service receiver (Grönroos, 2001, p. 151). However, most research in the field of services marketing ignores the service provider’s perspective, and there have

been too few studies that have attempted to explore the concept of the service encounter beyond the service receiver's perspective (Athanasopoulos, 1997, p. 163; Chow-Chua & Komaran, 2002, p. 78; Dedeke, 2003, p. 273; Svensson, 2002, p. 158; Tam & Wong, 2001, p. 379).

The second assumption is that the construct of service quality is multidimensional. There have been numerous studies that have attempted to create abstractions of the service quality construct (Bienstock, Mentzer, & Bird, 1997, p. 31; Dabholkar, Thorpe, & Rentz, 1996, p. 3; Grönroos, 1984, p. 36; Parasuraman et al., 1988, p. 13; Santos, 2003, p. 233; Zhu, Wymer, & Chen, 2002, p. 69). A recent review of service quality models was compiled by Seth, Deshmukh, and Vrat (2005, p. 913). Most of these abstractions have been based on the perspective of the service receiver, even though the outcome of service quality is derived from an interactive process in and beyond service encounters.

Surprenant, Solomon, and Gutman (1983) observed that service encounters are human interactions. Czepiel (1990) insisted that research into service encounters should take into account the perspectives of both parties involved in this human interaction. If both are not considered, a unidirectional understanding of these human interactions will be achieved, instead of bidirectional ones. The combination of perspectives will enhance our accumulated knowledge of the mutual and interactive features in the field of service encounters. Furthermore, Svensson (2001) has noted that service quality contributes to the strength of interpersonal, intra-organizational and inter-organizational relationships (or service encounters). Wilkinson and

Young (1999, p. 37) similarly noted that relationship development and performance are dynamic processes in which the various dimensions of a relationship self-organize into a mutually consistent pattern of performance, perceptions, and attitudes that represent the “personality” of a relationship. The interactive features involved in service encounters are crucial for the ultimate outcome.

Any penetration of the construct of the service encounter should therefore be based on an appreciation that this is an interactive process (Grönroos, 2001, p. 150) between the service provider and the service receiver (Chow-Chua & Komaran, 2002, p. 77; Dedeke, 2003, p. 277; Svensson, 2001, p. 359; Tam & Wong, 2001, p. 380). However, in most studies, the service provider’s perspective in service encounters has seldom been acknowledged.

Moreover, research has produced a number of classifications of services, all of which emphasize only the service receiver’s perspective of the service offer in service encounters (Chase, 1978, p. 137; Edvardsson, 1996; Grönroos, 1982; Hill, 1977, p. 315; Judd, 1964, p. 58; Kotler, 1980; Lovelock, 1980, 1983; Rathmell, 1974, p. 32; Sasser, Olsen, & Wyckoff, 1978; Schmenner, 1986, p. 21; Shostack, 1977, p. 75; Thomas, 1978, p. 159; Vandermerwe & Chadwick, 1989, p. 80).

This means that only one of the two perspectives in service encounters has been properly explored, whereas both perspectives should be considered (Czepiel, 1990; Strandvik & Storbacka, 1996; Surprenant et al., 1983; Svensson, 2003). Only a few attempts have been made to explore both perspectives in service encounters (Chow-Chua & Komaran, 2002; Dedeke, 2003; Svensson, 2001, 2003; Tam & Wong, 2001).

Summary

In summary, penetration (i.e. analysis and understanding) of service encounters has been largely researched as a non-interactive phenomenon (i.e. mostly based upon one perspective). This has meant that the complexity and dynamics of the construct have not been sufficiently studied. Abstraction of the service quality construct has been ambiguous in the literature. In particular, the number and content of posited dimensions has varied among researchers. For example, Lehtinen and Lehtinen (1982, p. 287) posited three dimensions for service quality (interactive quality, physical quality, and corporate quality). Grönroos (1983) agreed that there were three dimensions, but identified a different set of three (technical, functional, and reputational). In contrast, LeBlanc and Nguyen (1988) claimed five dimensions (corporate image, internal organization, physical support of the service producing system, staff-customer interaction, and the level of customer satisfaction). The well-known SERVQUAL instrument (Parasuraman et al., 1988) also used five dimensions of service quality in assessing the consumer's judgment of service quality, but differed from LeBlanc and Nguyen (1988, p. 11) by naming the five dimensions as tangibility, reliability, responsiveness, assurance, and empathy. In other contributions, Hedvall and Paltschik (1989, p. 473) identified only two dimensions (willingness and ability to serve; and physical and psychological access).

This chapter has outlined major works in measuring service quality and looked at the problems of measuring service quality. In Chapter III, these ideas will be translated into an appropriate methodology.