1.0 SERVQUAL
1.0 SERVICE QUALITY

1.1 INTRODUCTION - MEASURES OF SERVICE QUALITY

Measuring service quality is difficult due to its unique characteristics: Intangibility, heterogeneity, inseparability and perishability (Bateson, 1995). Service quality is linked to the concepts of perceptions and expectations (Parasuraman et al., 1985, 1988; Lewis and Mitchell, 1990). Customers' perceptions of service quality result from a comparison of their before-service expectations with their actual-service experience. The service will be considered excellent, if perceptions exceed expectations; it will be regarded as good or adequate, if it only equals the expectations; the service will be classed as bad, poor or deficient, if it does not meet them (Vázquez et al., 2001).

Based on this perspective, Parasuraman et al. developed a scale for measuring service quality, which is mostly popular known as SERVQUAL. This scale operationalizes service quality by calculating the difference between expectations and perceptions, evaluating both in relation to the 22 items that represent five service quality dimensions known as ‘tangibles’, ‘reliability’, ‘responsiveness’, ‘assurance’ and ‘empathy’. The SERVQUAL scale has been tested and/or adapted in a great number of studies conducted in various service settings, cultural contexts and geographic locations like the quality of service offered by a hospital (Babakus and Mangold, 1989), a CPA firm (Bojanic, 1991), a dental school patient clinic, business school placement center, tire store, and acute care hospital (Carman, 1990), pest control, dry cleaning, and fast food (Cronin and Taylor, 1992), banking (Cronin and Taylor, 1992; Spreng and Singh, 1993; Sharma and Mehta, 2004) and discount and departmental stores (Finn and Lamb, 1991). All these studies do not support the factor structure proposed by Parasuraman et al. (1988). The universality of the scale and its dimensions has also been the subject of criticisms (Lapierre et al., 1996) and it is suggested that they require customization to the specific service sector in which they are applied.

In SERVQUAL, both - store service performance and consumer expectations of the store service, are explicitly measured to assess the ‘gap’. Several researchers find the performance perceptions to be sufficient in assessing service quality as compared to the gap (Carman, 1990).
1.2 MEASURES OF RETAIL SERVICE QUALITY

Service quality in retailing is different from any other product/service environment (Finn, 2004). Because of the unique nature of retail service, improvements and measurements of quality in retailing cannot be approached in the same way as that of the services perspective. In retail service, it is necessary to look at quality from the perspective of services as well as goods and derive a set of items that accurately measure this construct (Mehta et al., 2000). For this reason, Dabholkar et al. (1996) developed and empirically validated the Retail Service Quality Scale (RSQS) to capture dimensions important to retail customers based on the triangulation qualitative research technique. They conducted qualitative research using three different methodologies - phenomenological interviews, exploratory depth interviews, and tracking the customer through the store. Combining these qualitative findings with the existing literature and SERVQUAL, Dabholkar et al. (1996) proposed that retail service quality has a hierarchical factor structure comprising five basic dimensions, namely 'physical aspects', 'reliability', 'personal interaction', 'problem solving', and 'policy', with first three basic dimensions having two sub-dimensions each and overall service quality as a second order factor. The sub-dimensions of the basic dimension 'physical aspects' are: 'appearance' and 'convenience'; the sub-dimensions of the basic dimension 'reliability' are: 'promises' and 'doing it right'; and the sub-dimensions of the basic dimension 'personal interaction' are: 'inspiring confidence' and 'courteousness/helpful'. Three SERVQUAL tangible items are used for measures of appearance. Studies assessing the applicability of the RSQS have reported encouraging results. Dabholkar et al. (1996) replicated their own study and found all the RSQS dimensions and sub-dimensions to be valid in the U.S. Mehta et al. (2000) found the RSQS scale was superior within the context of a 'more goods and less services' environment, i.e. a supermarket, while SERVPERF was better for a retailing context where the service element becomes more important, i.e. an electronic goods retailer. Kim and Jin (2002) report the RSQS a useful scale for measuring service quality of discount stores across two different cultural contexts of U.S. and South Korea, though they did not find distinct personal interaction and problem solving dimensions or support for a distinct policy dimension. Boshoff and Terblanche (1997), in a replication of the Dabholkar et al., (1996) study, report highly encouraging results for the RSQS applicability in the context of department stores,
specialty stores and hypermarkets in South Africa. However, the applicability of the RSQS or other scales has never been tested in the context of transition economies. During the past few decades service quality has become a major area of attention to practitioners, managers and researchers owing to its strong impact on business performance, lower costs, customer satisfaction, customer loyalty and profitability (Leonard and Sasser, 1982; Cronin and Taylor, 1992; Gammie, 1992; Hallowell, 1996; Chang and Chen, 1998; Gummesson, 1998; Lasser et al., 2000; Silvestro and Cross, 2000; Newman, 2001; Sureshchander et al., 2002; Guru, 2003 etc.). There has been a continued research on the definition, modelling, measurement, data collection procedure, data analysis etc., issues of service quality, leading to development of sound base for the researcher. This documented knowledge base through several studies on the subject can be of great use to researchers and practitioners in providing a direction on how to explore/modify the existing service quality concepts with the changing world scenario.

In this context model gains specific importance as it not only help in learning the factors associated with it but also will provide a direction for improvements. A conceptual model attempts to show the relationships that exist between salient variables. It is a simplified description of the actual situations. It is envisaged that conceptual models in service quality enable management to identify quality problems and thus help in planning for the launch of a quality improvement program thereby improving the efficiency, profitability and overall performance.

1.3 SERVICE QUALITY MODELS

The researcher in the present study considers the following service models in the light of the changed business scenario. The models are presented using a standard structure, i.e. covering brief discussion and the major observations on the models. The next section covers the evaluation of these models for above parameters. The brief discussions on the models are as under:

1.3.1 SQ1. Technical and functional quality model

A firm in order to compete successfully must have an understanding of consumer perception of the quality and the way service quality is influenced. Managing perceived service quality means that the firm has to match the expected service and perceived service to each other so that consumer satisfaction is achieved.
The author identified three components of service quality, namely: technical quality; functional quality; and image (see Figure 1):

Figure 1: SQ1. Technical and functional quality model

- Technical quality is the quality of what consumer actually receives as a result of his/her interaction with the service firm and is important to him/her and to his/her evaluation of the quality of service.
- Functional quality is how he/she gets the technical outcome. This is important to him and to his/her views of service he/she has received.
- Image is very important to service firms and this can be expected to built up mainly by technical and functional quality of service including the other factors (tradition, ideology, word of mouth, pricing and public relations).

1.3.2 SQ2: GAP model

Parasuraman et al. (1985) proposed that service quality is a function of the differences between expectation and performance along the quality dimensions. They developed a service quality model (Figure 2) based on gap analysis. The various gaps visualized in the model are:

Source: Grönroos (1984)
Gap 1 is the difference between consumers’ expectation and management’s perceptions of those expectations, i.e. not knowing what consumers expect.

Gap 2 is the difference between management’s perceptions of consumer’s expectations and service quality specifications, i.e. improper service-quality standards.

Gap 3 is the difference between service quality specifications and service actually delivered i.e. the service performance gap.

Gap 4 is the difference between service delivery and the communications to consumers about service delivery, i.e. whether promises match delivery?

Figure 2: SQ2: GAP model

Gap 5 is the difference between consumer’s expectation and perceived service. This gap depends on size and direction of the four gaps associated with the delivery of service quality on the marketer’s side.

An exploratory research was refined with their subsequent scale named SERVQUAL for measuring customers’ perceptions of service quality. (Parasuraman et al., 1988).

At this point the original ten dimensions of service quality collapsed in to five
dimensions: reliability, responsiveness, tangibles, assurance (communication, competence, credibility, courtesy, and security) and empathy which capture access and understanding/knowing the customers.

1.3.3 SQ3. Attribute service quality model

Figure 3:

This model (Figure 3) states that a service organization has "high quality" if it meets customer preferences and expectations consistently. According to this, the separation of attributes into various groups is the first step towards the development of a service quality model. In general, services have three basic attributes: physical facilities and processes; people's behaviour; and professional judgment. Each attribute consists of several factors. In this model, each set of attributes forms an apex of the triangle as
shown in Figure 3. Too much concentration on any one of these elements to the exclusion of other may be appropriate it may lead to disaster for e.g. too much emphasis on procedures may give an impression to the customer that he will be processed as per his sequence.

The author tried to map different type of service settings as per degree of contact and interaction, degree of labour intensity and degree of service customization in to this model. For example services, which are low in terms of customers’ contact customization and labour intensity (utilities, transportation of goods etc.), are closer to physical facility and process attribute of the model. Thus, the model suggests that special care at this instant must be taken to make sure that equipment is reliable and easy for customer to use.

1.3.4 SQ4. Synthesised model of service quality

Figure 4:
of service quality offered as well as actual customers' perceptions of service quality experienced. This model attempts to integrate traditional managerial framework, service design and operations and marketing activities. The purpose of this model is to identify the dimensions associated with service quality in a traditional managerial framework of planning, implementation and control. The synthesised model of service quality (Figure 4) considers three factors, viz. company image, external influences and traditional marketing activities as the factors influencing technical and functional quality expectations.

1.3.5 SQ5: IT alignment model (Berkley and Gupta, 1994)
Investments in information technology (IT) sectors are generally aimed at productivity of efficiency gains with a little attention to improve customer service and long-run customer effectiveness. This model (Figure 5) links the service and the information strategies of the organization. It describes the use of IT for improving service quality through a number of case studies from variety of sectors (banking, courier, and transportation, manufacturing and services industries).

Figure 5: SQ5: IT alignment model (Berkley and Gupta, 1994)

Source: Berkley and Gupta (1994)
This model describes in detail where IT had been used or could be used to improve specific service quality dimensions including reliability, responsiveness, competence, access, communications, and security, understanding and knowing the customers.

1.3.6 SQ6. Attribute and overall affect model (Dabholkar, 1996)
The author proposed two alternative models of service quality for technology-based self-service options. Self-service is becoming popular day by day owing to high cost of labour in service deliveries. The attribute model (Figure 6(a)) is based on what consumers would expect from such option. It is based on cognitive approach to decision making, where consumers would use a compensatory process to evaluate attributes associated with the technology based self service option in order to form expectations of service quality. The overall affect model (Figure 6(b)) is based on the consumers’ feeling towards the use of technology. It is based on an affective approach to decision making where consumers would use overall predispositions to form expectation service quality for a technology-based self-service option. In both the models expected service quality would influence intentions to use technology-based self-service option.

Figure 6: SQ6. Attribute and overall affect model (Dabholkar, 1996)
1.3.7 SQ7: Model of perceived service quality and satisfaction

This model (Figure 7) attempts to enhance the understanding of the constructs perceived service quality and consumer satisfaction. The model highlights the effect of expectations, perceived performance desires, desired congruency and expectation disconfirmation on overall service quality and customer satisfaction. These are measured through set of ten attributes of advising (convenience in making an appointment, friendliness of the staff, advisor listened to my questions, the advisor provided accurate information, the knowledge of the advisor, the advice was consistent, advisor helped in long-range planning, the advisor helped in choosing the right courses for career, advisor was interested in personal life, and the offices were professional).

Figure 7: SQ7: Model of perceived service quality and satisfaction

Source: Spreng and Mackoy (1996)
1.3.8 SQ8: PCP attribute model
The authors propose a model that takes the form of a hierarchical structure – based on three main classes of attributes – pivotal, core and peripheral. According to the model (Figure 8), every service consists of three, overlapping, areas where the vast majority of the dimensions and concepts which have thus far been used to define service quality. These ranked levels are defined as – pivotal (outputs), core and peripheral (jointly representing inputs and processes). The pivotal attributes, located at the core, are considered collectively to be the single most determining influence on why the consumer decided to approach a particular organization and exert the greatest influence on the satisfaction levels. They are defined as the “end product” or “output” from the service encounter; in other words, Figure 8 describes what the consumer expects to achieve and receive, perhaps even “take away, when the service process is duly completed. Core attributes, centred on the pivotal attributes, can best be described as the amalgamation of the people, processes and the service organizational structure through which consumers must interact and/or negotiate so that they can achieve/receive the pivotal attribute. The third level of model focuses on the peripheral attributes which can be defined as the “incidental extras” or frills designed to add “roundness” to the service encounter and make the whole experience for the consumer a complete delight. When a consumer makes an evaluation of any service encounter, he is satisfied if the pivotal attributes are achieved, but as the service is used more frequently the core and peripheral attributes may began to gain importance.
1.3.9 SQ9: Retail service quality and perceived value model (Sweeney et al., 1997)

The influence of service quality on value and willingness to buy in a specific service encounters through two alternative models. Value can be defined as a comparison between what consumers get and what they give, suggesting that value is a comparison of benefits and sacrifices. (Zeithaml et al., 1988). Value construct used in this model is “value for money”.

Model 1: this model highlights that in addition to product quality and price perceptions, functional service quality and technical service quality perceptions both directly influence value perceptions.

Model 2: this model highlights that in addition functional service quality perceptions directly influence consumers’ willingness to buy. Functional service quality perceptions also influence technical service quality perceptions, which in turn influence product quality perceptions and neither of the two directly influence value perceptions.
1.3.10 SQ 10: Antecedents and mediator model (Dabholkar et al., 2000)

A comprehensive model of service quality is depicted in Figure 10, which includes an examination of its antecedents, consequences, and mediators to provide a deeper understanding of conceptual issues related to service quality.

Figure 10: SQ 10: Antecedents and mediator model (Dabholkar et al., 2000)

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**Figure 9: SQ9: Retail service quality and perceived value model (Sweeney et al., 1997)**

![SQ9: Retail service quality and perceived value model](image)

*Source: Sweeney et al. (1997)*

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**Figure 10: SQ 10: Antecedents and mediator model (Dabholkar et al., 2000)**

*Source: Dabholkar et al. (2000)*
This model examines some conceptual issues in service quality as: the relevant factors related to service quality better conceived as components or antecedents and the relationship of customer satisfaction with behavioural intentions.

1.3.11 SQ11: Internal service quality model (Frost and Kumar, 2000)
The authors have developed an internal service quality model based on the concept of GAP model (Parasuraman et al., 1985). The model (Figure 11) evaluated the dimensions, and their relationships, that determine service quality among internal customers (front-line staff) and internal suppliers (support staff) within a large service organization. The internal gap 1 shows the difference in support staff's perception (internal supplier) of front-line staff's expectation (internal customers). Internal gap 2 is the significant difference between service quality specifications and the service actually delivered resulting in an internal service performance gap.

Figure 11: SQ11: Internal service quality model (Frost and Kumar, 2000)

Internal gap 3 is the gap which focuses on the front-line staff (internal customers). The gap is based on the difference between front-line staff's expectations and perceptions of support staff's (internal supplier) service quality.

1.3.12 SQ12: Internal service quality DEA model (Soteriou and Stavrinides, 2000)
Service quality is an important factor that was considered when assessing a bank branch performance. The branch may report high volume of products and services
offered as well as profits, but lose its long-term advantage owing to eroding service quality. The authors presented a service quality model that can be used to provide directions to a bank branch for optimal utilization of its resources. The model does not aim to develop the service quality measures, rather guides how such measures can be incorporated for service quality improvements.

**Figure 12: SQ12: Internal service quality DEA model (Soteriou and Stavrinides, 2000)**

The model points out resources that are not properly utilized. The inputs to the model consist of two sets: consumable resources such as personnel, space, time etc. and the number of accounts in different categories. The output of the model is the level of service quality perceived by the personnel of the branch. The data envelope analysis (DEA) model (Figure 12) compares branches on how well they transform these resources (inputs) to achieve their level of service quality (output) given the client base. The DEA model will identify under-performers and suggest ways for their improvement. The input minimization DEA model will provide information on how much could the consumables resources be reduced while delivering the same level of service quality, while the output maximization DEA model will provide information on how much service quality can be improved using the same consumable resources.
1.3.13 SQ13: IT-based model (Zhu et al., 2002)

This model highlights the importance of information technology (IT)-based service options. Service providers are using IT to reduce costs and create value-added services for their customers. It proposes a service quality model (Figure 13) that links customer perceived IT-based service options to traditional service dimensions. The model attempts to investigate the relationship between IT-based services and customers' perceptions of service quality. The IT-based service construct is linked to service quality as measured by SERVQUAL (Parasuraman et al., 1988, 1991). Several key variables affecting customers' views of IT-based services are identified and depicted in Figure 13.

Figure 13: SQ13: IT-based model (Zhu et al., 2002)

![Figure 13: SQ13: IT-based model (Zhu et al., 2002)](source: Zhu et al. (2002))

The model focuses on the linkages among the service dimensions as measured by SERVQUAL, the constructs representing the IT-based service quality, preferences towards traditional services, experiences in using IT-based services, and perceived IT policies. The impacts of these constructs on perceived service quality and customer satisfaction are also specified.

1.3.14 SQ14: Model of e-service quality (Santos, 2003)

Service quality is one of the key factors in determining the success or failure of electronic commerce. E-service can be defined as the role of service in cyberspace (Rust and Lemon, 2001). This study proposes a conceptual model of e-service quality.
It is proposed that e-service quality has incubative (proper design of a web site, how technology is used to provide consumers with easy access, understanding and attractions of a web site) and active dimensions (good support, fast speed, and attentive maintenance that a web site can provide to its customers) for increasing hit rates, stickiness, and customer retention.

**Figure 14: SQ14: Model of e-service quality (Santos, 2003)**

1.3.15 Lineage of service quality models

It is interesting to trace the development of the models in the literature. The growth of literature in the field of service quality seems to have developed sequentially, providing a continuous updating and learning from the finding/observations of predecessors. Gronroos (SQ1) observed that word-of-mouth (WOM) has a more substantial impact on potential customers than traditional marketing activities, and also highlighted the need for service quality research based on consumers' views. Later Parasuraman et al. (1985) (SQ2) modeled service quality as a gap between consumer and marketer sides at different levels, using WOM as a key contributor to the expected service. Later Parasuraman et al. (1988; 1991) developed and revised service quality measurement tool, SERVQUAL. This gap model and SERVQUAL as a base was used (Frost and Kumar, 2000) (SQ11), for internal service quality modeling. Brogowicz et al. (1990) (SQ4), developed synthesized model of service quality taking...
the inputs from above two models (SQ1 and SQ2). Haywood-Farmer (1988) (SQ3), Philip and Hazlett (1997) (SQ8) developed attribute service quality models. This led to the development of model of perceived service quality and satisfaction (Spreng and Mackoy, 1996) (SQ7). Dabholkar et al. (2000) (SQ10) further examined the relationship between two constructs and proposed antecedents and mediator model. Cronin and Taylor (1992, p. 65) pointed out that consumers don’t always buy best quality service, they might instead purchase on the basis of their assessment of value of service. This highlighted the importance of “value” and thus acts as a motivating point for researchers to include/model value for improvement/understanding of service quality. Sweeney et al. (1997) (SQ9) developed models incorporating the value construct. In this liberalized economy, to remain competitive, service providers are increasingly offering their customers IT-based service options. Service providers are using IT to reduce costs and create value-added services for their customers. Furey (1991) suggests that IT can help enhance service quality by increasing convenience, providing extra services, and collecting service performance information for management use. The increased importance of IT motivated researchers to understand better how service customers evaluate IT-based services and how their evaluations affect their perceptions of the overall service quality of the service provider and of their own satisfaction. This led the related developments of models by Berkley and Gupta (1994) (SQ5); Dabholkar (1996) (SQ6); Zhu et al. (2002) (SQ13) and Santos (2003) (SQ14). It seems that practitioners required an approach to maximize service quality with available inputs, and this led to the development of DEA-based model (Soteriou and Stavrinides (2000) (SQ12). From the review, it is clear that there does not seem to be a well-accepted conceptual definition and model of service quality nor there is any generally accepted operational definition.

1.4 CUSTOMER SATISFACTION:
Customer satisfaction is an important theoretical as well as practical issue for the marketers and consumer researchers (Fournier and Mick, 1999; Meuter et.al., 2000). Customer satisfaction can be considered as the essence of success in today’s highly competitive world of business. The importance that customers place on service quality attributes is the driver of satisfaction. Loyalty is a crucial output to a firm’s resource allocation strategy and quality improvement efforts. Service quality is particularly essential in the financial services context because providers tend to be viewed as
relatively undifferentiated, and hence it becomes a key to competitive advantage (Almossawi, B., 2001; Stafford, 1996). Service quality can only be assessed during and after consumption, whereas credence qualities are virtually impossible to evaluate even after consumption. Search quality, on the other hand, includes aspects of a product or service that consumers can evaluate before making the purchasing. Services tend to be inherently low on search quality dimensions (Lovelock, 1996; Stafford 1996). Marketers at the end of the day have one objective of enhancing customer satisfaction levels to the extent that customers are retained and remain loyal to the retail outlet. The researcher therefore links up Service Quality in retail sector to the most important outcome “Customer Satisfaction”. The Service Quality models presented above from literature review also do indicate the outcome of service quality improvement initiatives aimed at improving customer satisfaction. It is therefore envisaged by the researcher to study Service Quality with special reference to the retailing sector and assess service quality with the important outcome dimension “Customer Satisfaction”.
References


