Chapter 10

10. CONCLUSION

The research conducted for the purpose of the thesis took an empirical stance in understanding how service value dimensions impact customer satisfaction, attitudinal and behavioral loyalty. Additionally it is also an attempt to explain how satisfaction evolves into the behavioral aspects of loyalty mediated through the different components of attitude. However, despite several useful managerial recommendations that this study has enumerated in the preceding sections, it is not free from limitations.

10.1. LIMITATIONS OF THE STUDY

1. Given the modern debate on localization versus standardization of products and services (Kotler, 1986; Levitt, 1983) both academicians and marketing practitioners have acknowledged the importance of identifying universality in consumer behavior across cultures and national boundaries. Dawar and Parker (1994) in an attempt to capture such similarities refer to “marketing universals” defined as segment - and - product specific consumer behaviors that are invariant across cultures. The present study has focused just on a single service sector (fast food) in one country (India), which may result in the findings being situation specific. And no attempt has been made in identifying consumer segments across different cultural definitions and also the product segment across geographies which are the basic variables to be standardized for investigating universality and generalizability in consumer behavior.

2. Second, the study is cross-sectional in nature although the relationships amongst the constructs examined in this study can be better understood using a longitudinal research design.
Additionally, being a cross-sectional approach, data on the customer metrics used in the study (satisfaction, attitudinal loyalty, behavioral loyalty, word of mouth) are collected at one point in time. On the contrary, marketing literature suggests that loyalty evolves over a period of time through repeat purchases and several counts of satisfying service encounters by a customer.

3. Third, the dimensionality of service value used in the study is an adaptation of the empirical extension of Holbrook’s (1994) typology of value. However, there exists several other conceptualization of perceived service value in the marketing literature. The reasons for adapting Holbrook’s typology for the context of the study has been eluded earlier in the thesis, but still academicians and practitioners are advised to reconsider the application of the value dimensions while implementing managerial decisions and drawing academic inferences respectively from the results of the present study.

4. Finally, the study has used quota sampling method to identify the sample respondents. Indeed measures were put to place to ensure that the final sample stands to be a proper representation of the population under consideration, still service managers of fast food retails are advised to proceed with the findings of the study with caution.

10.2. FUTURE RESEARCH DIRECTIONS

The research conducted in this thesis under the broad domain of marketing discipline potentially adds an incremental value to the growing body of knowledge. Despite the limitations of the study
listed in the previous section, the findings of the study have implications for theory and practice of services marketing. The suggested future research directions are explained below.

1. For ensuring the external validity of the proposed model tested in this study, further application of the same in other service situations would help the service managers to generalize the findings of the study.

2. Dawar and Parker (1994) proposed the existence of marketing universals i.e. the existence of specific consumer behaviors in their relative order of importance across cultures and geographies. Cross cultural studies, and multigroup analysis may aid in the identification of such marketing universals in the context of global fast food industry.

3. Future research also need to use adequate probability sampling technique to further generalize the findings of the study and to reduce the selection bias that may creep in because of the quota sampling method used in this study. In fact, the study could be extended to tier II cities and tier III cities. This can bring out the difference in consumer perceptions of service value across the dimensions and their impact on customer experience metrics among the different strata of consumers in terms of income levels.

4. Recent marketing literature that tend to conceptualize perceived service value to be multidimensional in nature and established the links of perceived value with other marketing constructs often used structural equation modeling as a tool for validating the theories empirically (Ruiz et al, 2008; Lin, Sher and Shih, 2005; Brady et al. 2005). Thus
conceptualization of higher order perceived value due to the multidimensional nature is faced with a typical problem of formative and reflective approaches. Lin et al. (2005) pointed out this typical controversy and summarized the basic differences between these two approaches. In the formative approach: (i) common variances, group variances and specific variances are parts of the true variances of a construct; only random variances are treated as error variances; (ii) the indicators are components, thus formative or causal if the construct; (iii) measurement error is considered at the construct level and (iv) the arrows emit from the multi dimensions to the construct. On the contrary, in the reflective approach: (i) only common variances are the true variances of the construct; group variances, specific variances and random variances are treated as error variances (ii) the indicators are manifestation, thus reflective or the effect of the construct (iii) measurement error is considered at item level and (iv) the arrows emit from the construct to its multi dimensions.

Referring to the earlier works of Law et al. (1998) and Jarvis et al. (2003), the author suggested four deciding factors or rules which specifies whether a conceptualization will be formative or reflective which are: first, the causality direction from the construct to be measured implicit in the conceptual definition, second, the interchangibility of the indicators, third, the covariance between the indicators and finally the network nomology of the construct indicators. Perceived service value to be essentially a reflective second order construct has been proposed by a number of authors (Swenney and Sautar, 2001; Petrick, 2002; Heinonen, 2004; Lam et al., 2004, Mathwick et al., 2001). On the other hand Ruiz et al, 2008, provides the argument that conceptualization of service value in a reflective manner is faced with the problems of contradiction with the basic rules of a reflective model conceptualization. According to the
authors, in reflective models the causality directions should move from the construct to the individual items, on the contrary service value which inherently comprises of benefit and sacrifice components the causality arrows must move to service value. Secondly benefit and sacrifice components cannot be used interchangeably which is an important consideration of conceptual models being reflective (Jarvis et al., 2003). And finally in a reflective model all the individual components are expected to covary with each other which may not be the case with all benefit and sacrifice components (Ruiz et al, 2008). Thus the authors proposed a formative conceptualization of perceived service value which can take care of the limitations in a reflective model. Lin, Sher and Shih, (2005) again proposed an alternative model which takes a reflective formative approach to account for the multidimensionality of service value in a sense that perceived service value is essentially a first order reflective and second order formative construct together with its sub dimensions. Proponents of both these alternative views have their own way of understanding service value, but problems are bound to arise when trying to establish the links between perceived value and other marketing constructs like satisfaction, behavioral intents, loyalty and word of mouth. A formative measure leads to the formation of a single service value construct from the multiple underlying dimensions but in a reflective model this becomes a challenge and subsequently establishment of the links to other marketing constructs require the consideration of all the sub dimensions rather than a one-dimensional service value construct. The present study considers service value to be a reflective measure in line with Seth et al. (1991) and Holbrook (1994); however, the formative reflective controversy can be examined as a direction for future research.
5. Since the direct impacts of aesthetics on customer satisfaction and the dimensions of customer loyalty were found to be insignificant in this study, future researchers are advised to use aesthetic elements of a service as moderator between service value and the satisfaction loyalty cascade in the model. This may reveal the exact nature of their relationships.

6. Gudergan and Ellis (2007) integrated prospect theory, mental accounting and equity theory together in order to enhance the theoretical understanding of the customer evaluation processes and judgments in service consumption experiences. The authors proposed that service value has a non-linear relationship with customer satisfaction. Therefore, future researchers can examine the asymmetric relationships between the constructs and the relationships outlined in the present study e.g. customer satisfaction and attitudinal loyalty and behavioral loyalty; perceived value and customer satisfaction; and perceived service quality and perceived value. In line with the suggestions of Agustin and Singh (2005) this may identify other facets of the relationships in the service industries which may not be apparent in specifying a linear relationship between them.

7. The concept of value is abstracted at different levels (Woodruff and Gradiel, 1996), which are attribute level (describing a product or service), the consequences level (describing the user to service interaction) and the desired end state (describing the goals of the customer). This concept is similar to the means end chain as proposed by Zeithaml (1988). Parashuraman and Grewal, (2000) pointed out that the evaluation of perceived value is not a static event but a dynamic one and is continuously modified according to the consumption experience. Therefore, value is perceived differently prior to the consumption experience, during the consumption experience and post consumption. The present research considers the post consumption evaluation of value.
However, assessing the pre consumption perception of service value dimensions in the context of fast food retailing in India and its impact on the dependent variables of attitudinal and behavioral loyalty may provide meaningful insights.

8. Finally, in a segregation of the marketing literature, Graf and Mass (2008) found out that perceived value has been examined from different perspectives. The authors classified it as product oriented value (based on the trade-off between perceived quality and price of a product or service), the relationship oriented value (in addition to product and service attributes which includes relationship, process, and risk components), and the desired customer value (which focuses on the customer’s needs and desires and thus involves a higher level of abstraction on the customer’s part). The service value dimensions and its evaluations in the context of fast food retail in India is purely based on the relation orientation. Future research in the domain of desired perceived value can lead to the development of SERVQUAL like scales.

10.3. CONCLUDING THOUGHTS

Drawing on the findings mentioned in the preceding chapters of this thesis it can be concluded that the model proposed in the study to fulfill the set of objectives outlined provides a comprehensive understanding of the phenomenon of loyalty and how the consumer perception of the service value dimensions affect choice behavior both at attitude and action levels. This understanding paves the way for assessing the long term incremental effects of a customer’s loyal behavior. The academic novelty in the research lies in the fact that studies on service value dimensions as a precursor to development of attitudinal and behavioral loyalty is scarce. Next the study provides useful insights to the important value dimensions that impact choice behavior in an emerging economy like India. With respect to the context of the study overcoming cultural
barriers, traditional eating habits, religious barriers the fast food sector in India became the fastest growing industry in the last decade. Domestic retailers from organized and unorganized markets did offer the food other than the traditional and customary cuisines however it originally related to the local traditions. The post liberalization period in India facilitated competitive advantage and fast food stores soon became popular in the market with the entry of international fast food retailers such as McDonald’s, KFC, Pizza Hut and Dominos resulting in increased competition as well as market awareness. The sales and growth of these fast food retailers was fueled by the changing lifestyles and globalization trends of urban Indian population. Increasing competition led to fast food retailers in India to develop customer relationship strategies and innovative marketing mix to ensure a loyal customer base. In such a backdrop the present study is believed to provide important managerial insights to achieve a competitive edge through understanding the crucial service value dimensions that impact development of loyalty within a customer towards a brand of choice.