CHAPTER 2

REVIEW OF LITERATURE
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Several studies have been conducted in the area of service quality all over the world and these studies have wide focus on issues relating to defining and conceptualizing service quality, measurement and improvement of service quality, managing service quality and its impact on organisational performance and so on.

The research activities are vibrant and number of published research work is extensive. In India the service industry started growing and so is the number of research work. Further among the studies on service quality, very few are published and available for reference.

The researcher has identified those studies which are closely associated with his research topic i.e. perceived service quality and hospital service quality. The literature relating to these studies were identified and located by the researcher in the form of articles, published reports and review materials both in physical and electronic forms.

The bibliographic references of these research works are indicated briefly in respective paragraphs and the details are included in the bibliography later in the report.

The studies are discussed in brief by highlighting its relevance and importance to the present study.
2.1 Service Quality (SQ) Models

A conceptual model attempts to show the relationships that exist between salient variables (Ghobadian et al, 1994). 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.

There are 19 conceptual service quality models reported in the research arena. The brief discussions on the models are as under:

**SQ Model: 1**

Technical and Functional quality model (Gronroos, 1984)

A firm in order to compete successfully must have an understanding of customer 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 namely: technical quality, functional quality, and image.
Fig 2.1 Service quality model (Gronroos, 1984):

i. 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.

ii. Functional quality is how he/she gets the technical outcome. This is important to him/her and to his/her views of service he/she has received.

iii. Image is very important to service firms and this can be expected to build up mainly by technical and functional quality of service including the other factors (tradition, ideology, word of mouth, pricing and public relations).

Source: Grönroos (1984)
SQ model: 2

GAP Model (Parasuraman et al, 1985)

Parasuraman et al (1985) proposed that service quality is a function of difference between expectations and performance along the quality dimensions. They developed a service quality model (Fig 2.2) based on gap analysis: the various gaps visualised in the model are.

Fig 2.2 GAP Model (Parasuraman et al, 1985)

Gap 1: Difference between consumer’s expectations and management’s perceptions of those expectations i.e. not knowing what consumer expect.
Gap 2: Difference between management’s perceptions of consumer’s expectations and service quality specifications, i.e. improper service – quality standards.

Gap 3: Difference between service quality specifications and service actually delivered i.e. the service performance gap.

Gap 4: Difference between service delivery and the communications to consumers about service delivery i.e. whether promises match delivery?

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

According to this model, the service quality is a function of perception and expectations and can be modelled as:

\[ SQ = \sum_{j=1}^{k} (P_{ij} - E_{ij}) \]

where

\[ SQ = \text{overall service quality};\ k = \text{number of attributes} \]

\[ P_{ij} = \text{Performance perception of stimulus i with respect to attribute j}. \]

\[ E_{ij} = \text{Service quality expectations for attribute ‘j’ that is the relevant norm for stimulus ‘i’}. \]

This exploratory research was refined with their subsequent scale named SERVQUAL for measuring customer’s perceptions of service quality (Parasuraman et al, 1988). At this point the original ten dimensions of service quality collapsed into five dimensions: reliability, responsiveness, tangibles, assurance and empathy. Later SERVQUAL was revised in 1991 by
replacing “should” word by “would” and in 1994 by reducing the total number of items to 22 but five dimensional structure remaining the same.

**SQ Model 3**

Attribute Service Quality Model (Haywood – Farmer, 1988)

This model 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 2.3.
Fig 2.3 Attribute Service Quality Model (Haywood – Farmer, 1988)
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 into 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.

SQ Model 4

Synthesized model of service quality (Brogowicz et al, 1990)

A service quality gap may exist even when a customer has not yet experienced the service but learned through word of mouth, advertising or through other media communications. Thus there is a need to incorporate potential customers’ perceptions 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 2.4) considers three factors, viz. company image, external influences and traditional marketing
activities as the factors influencing technical and functional quality expectations.

Fig 2.4 Synthesized model of service quality (Brogowicz et al, 1990)
SQ Model 5

Performance only Model (Cronin & Taylor, 1992)

The authors investigated the conceptualization and measurement of service quality and its relationship with consumer satisfaction and purchase intentions. They compared computed difference scores with perception to conclude that perceptions only are better predictor of service quality.

They argued on the framework of Parasuraman et al. (1985), with respect to conceptualization and measurement of service quality and developed performance only measurement of service quality called SERVPERF by illustrating that service quality is a form of consumer attitude and the performance only measure of service quality is an enhanced means of measuring service quality. They argued that SERVQUAL confounds satisfaction and attitude. They stated that service quality can be conceptualized as “similar to an attitude”, and can be operationalized by the adequacy-importance model. In particular, they maintained that Performance instead of “Performance-Expectation” determines service quality.

Service quality is evaluated by perceptions only without expectations and without importance weights according to the formula:

\[ SQ = \sum_{j=1}^{k} P_{ij} \]

where:

- \( SQ \) = overall service quality;
- \( k \) = the number of attributes;
- \( P_{ij} \) = performance perception of stimulus \( i \) with respect to attribute \( j \).
SQ Model 6

Ideal Value Model of Service Quality (Mattson; 1992)

In majority of the studies on service quality “expectation is treated as belief about having desired attributes as the standard for evaluation”. However, this issue needs to be examined in the light of other standards such as experience based, ideal, and minimum tolerable and desirable. The model argues for value approach to service quality, modelling it as an outcome of satisfaction process. This value-based model of service quality suggests the use of a perceived ideal standard against which the experience is compared. Figure 2.5 shows that implicit negative disconfirmation on a pre-conscious value level, is then hypothesized to determine satisfaction on a “higher” attitude level. This negative disconfirmation is the major determinant of consumer satisfaction, more attention should be given to cognitive processes by which consumers’ service concepts are formed and changed.

![Ideal Value Model of Service Quality (Mattson; 1992)](image-url)

**Fig 2.5 Ideal Value Model of Service Quality (Mattson; 1992)**
SQ Model 7

Evaluated performance and normed quality model (Teas, 1993)

According to the author the conventional disconfirmation model has conceptual, theoretical and measurement problems. He pointed out that following issues in the measurement of service quality, i.e. SERVQUAL (Parasuraman et al., 1988) as: conceptual definition ambiguity; theoretical justification of expectations in the measurement of service quality; the usefulness of the probability specification in the evaluated performance (EP) measurement; and link between service quality and consumer satisfaction/dissatisfaction. The author proposed the following two frameworks for service quality.

Evaluated performance (EP) framework: with the assumption that an individual evaluates object i with perceived certainty and that the object I has a constant amount of each attribute also with Minkowski space parameter equals to unity.

The perceived quality is modelled as:

\[
Q_i = -1 \left[ \sum_{j=1}^{n} W_j |A_{ij} - I_i| \right]
\]

where:

\(Q_i\) = the individual’s perceived quality of object i.

\(W_j\) = Importance of attribute j as a determinant of perceived quality.

\(A_{ij}\) = Individual’s perceived amount of attribute j possessed by object i.
I\textsubscript{j} = the ideal amount of attribute j as conceptualized in classical ideal point attitudinal models.

m = number of attributes.

With an assumption that perceived ability of the product to deliver satisfaction can be conceptualized as the product’s relative congruence with the consumer’s ideal product features.

Normed quality model: if the object i is defined as the excellence norm that is the focus of revised SERVQUAL concept, the above equations can be used to define the perceived quality of excellence norm Qe in terms of the similarity between the excellence norm and the ideal object with respect to “m” attributes. The quality of another object i, Qi relative to the quality of excellence norm then normed quality (NQ) is:

\[ NQ = [Qi – Qe] \]

NQ = Normed quality index for object i.

Qe = the individual’s perceived quality of the excellence norm object.

For infinite ideal points, normed quality is:

\[ NQ = \sum_{j=1}^{m} W[j] (A[j] - A_{ej}) \]

A\textsubscript{ej} = individual’s perceived amount of attribute “j” possessed by the excellence norm “e”.
SQ Model 8

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 2.6) 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, transportation, manufacturing and services industries).

![IT alignment model](image)

**Source:** Berkley and Gupta (1994)

**Fig 2.6 IT alignment model (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, security, understanding and knowing the customers. Through some case studies use of IT for quality control (collect customer data, monitor operations and facilitate service) is also demonstrated.

According to the model (Figure 2.6), it is important that service quality and information system (IS) strategies must be tightly coordinated and aligned. The model explains the process of aligning service and aligning strategies.

**SQ Model 9**

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 2.7(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 2.7(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 self-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.
Fig 2.7a – Attribute based model; Fig 2.7b - overall affect model (Dabholkar, 1996)

**SQ Model 10**

Model of perceived service quality and satisfaction (Spreng and Mackoy, 1996)

This model (Figure 2.8) attempts to enhance the understanding of the constructs perceived service quality and consumer satisfaction. This model is modification to Oliver’s (1993) model. 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).

**Fig 2.8 - Model of perceived service quality and satisfaction (Spreng and Mackoy, 1996)**

SQ Model 11

PCP attribute model (Philip and Hazlett, 1997)

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 2.9), 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, what the consumer expects to achieve and receive, perhaps even “take away, when the service process is duly completed.

Core attributes, centred around 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 a “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.
Fig 2.9 - PCP attribute model (Philip and Hazlett, 1997)
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.

On analysis, of modification indices for model 2 (being superior to model 1) it is possible to make significant improvement in this model (Figure 2.10) by allowing technical service quality to influence perceived value directly.
Fig 2.10 - Retail service quality and perceived value model (Sweeney et al., 1997)

SQ Model 13

Service quality, customer value and customer satisfaction model (Oh, 1999)

The author proposed an integrative model (Figure 2.11) of service quality, customer value and customer satisfaction. The proposed model focuses mainly on post purchase decision process. Arrows in the model indicate causal directions. The model incorporates key variables such as perceptions, service quality, consumer satisfaction, customer value and intentions to repurchase. Finally word of mouth communication intentions is conceptualized as a direct, combined function of perceptions, value, satisfaction and repurchase intentions.
The model provides evidence that customer value has a significant role in customer’s post-purchase decision-making process. It is an immediate antecedent to customer satisfaction and repurchases intentions. Results also indicate that perceived price has a negative influence on perceived customer value and no relationship with perceived service quality.

Fig 2.11 - Service quality, customer value and customer satisfaction model (Oh, 1999)

SQ Model 14

Antecedents and mediator model (Dabholkar et al., 2000)

A comprehensive model of service quality is depicted in Figure 2.12, which includes an examination of its antecedents, consequences, and mediators to provide a deeper understanding of conceptual issues related to service quality. 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.
The authors have developed an internal service quality model based on the concept of GAP model (Parasuraman et al., 1985). The model (Figure 2.13) 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. 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.

Source: Dabholkar et al. (2000)
Service quality is an important factor that must be 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. 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 2.14) 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.

Source: Soteriou and Stavrinides (2000)

Fig 2.14 - service quality DEA model (Soteriou and Stavrinides, 2000)
SQ Model 17

Internet banking model (Broderick and Vachirapornpuk, 2002)

One of the key challenges of the internet as a service delivery channel is, how service firms can manage service quality as these remote formats bring significant change in customer interaction and behaviour. This study proposes and tests a service quality model of internet banking (Figure 2.15). The research uses participant observation and narrative analysis of UK internet web site community to explore how internet banking customers perceive the elements of this model. In the context of internet, five key elements are treated as central influences on perceived service quality: They are: customer expectations of the service; the image and reputation of the service organization; aspects of the service setting; the actual service encounter; and customer participation.

Source: Broderick and Vachirapornpuk (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 2.16) 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 2.16.

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.

**SQ Model 19**

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 (Figure 2.17) with its determinants. It is proposed that e-service quality have 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.
By analysing the above models it is inferred that there is a close relationship between perceived service quality and customer satisfaction (Cronin and Taylor, 1992; Spreng and Mackoy, 1996; Oh, 1999; Dabholkar et al, 2000; Zhu et al, 2002). Hence, applying these theories in medical tourism context the researcher developed the following theoretical model for testing.

**Fig 2.17 – e-Service quality model**

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**Fig:2.18 Research Model Version 1.0**
The next important step in the model building effort is to understand measurement of service quality. For this purpose the researcher reviewed the research works done on Hospital and healthcare service quality measurement.

2.2 Hospital and healthcare Service Quality

An empirical study in a Belgian hospital by Vandamme and Leunis (1993) has been reported on the development of an appropriate multiple item scale to measure hospital service quality. Discrepancies between SERVQUAL and the dimensions obtained from their study were discussed in some detail, along with the reliability and validity properties of the scale.

Bowers et al. (1994) studied five attributes of quality from SERVQUAL Model. Their results from a quantitative analysis lend support to qualitative conclusions. Caring and Communications found to be significant. Three of the generic SERVQUAL dimensions were found to be related significantly to patient satisfaction: empathy responsiveness and reliability.

Anderson (1995) studied the quality of services provided by a public university health clinic using a 15 – item instrument representing the five dimensions of SERVQUAL. According to her findings, all the five dimensions measured negatively, assurance being most negatively measured. Based on these results Anderson made some recommendations for budgeting future quality improvement projects.

Babakus and Glynn (1992) empirically evaluated SERVQUAL for its potential usefulness in a hospital service environment. The completed perceptions and expectations scales met various criteria for reliability and validity. Suggestions were provided for the managerial use of scale and a number of future research issues were identified.
Reidenbach and Sandifer (1990) developed an instrument based on the original ten-dimension questionnaire developed by Parasuraman et al (1985). They analysed patient service needs by examining the differing perceptions of service held by patients in three basic hospital settings: emergency room services; inpatient services; and outpatient services. Differential impacts were found in all three hospital settings.

Lim and Tang (2000) attempted to determine the expectations and perceptions of patients in Singapore hospitals through the use of modified SERVQUAL that included 25–items representing six dimensions; namely tangibles, reliability, assurance, responsiveness, empathy, accessibility and affordability. Their study revealed the existence of an overall service quality gap between patients’ perceptions and expectations.

Youssef et al (1995) examined service quality in West Midlands NHS hospital and in all five dimensions of SERVQUAL that were measured found that patients perceptions’ failed to meet their expectations. Another study by Youssef (1996) revealed reliability as the most serious problem facing NHS hospital providers involved in their study.

A study by Sewell (1997) in the NHS hospital showed reliability as the most important dimension, followed by assurance, empathy and responsiveness were found to be of equal importance, while tangible was found to be the least important dimension.

Jobnoun and Chaker (2003) compared the service quality deduced by private and public hospitals in the UAE. They used the ten-dimension instruments developed by Parasuraman et al (1985) namely, tangibles, accessibility, understanding, courtesy, reliability, security, credibility, responsiveness, communication & competence. Their study revealed that there is a significant difference between private and public hospitals in overall service quality.
Rohini and Mahadevappa (2006) investigated service quality perceptions in hospitals in Bangalore city. They used the SERVQUAL questionnaire for measurement of service quality gap. An analysis covering a sample of 500 patients revealed that there exists overall service quality gap between patient’s perception and their expectations. An analysis covering a sample of 40 management personnel revealed that a gap between management’s perception and patient’s expectations of service quality also exists. This study suggests improvement across all the five dimensions of service quality – tangibles, reliability, responsiveness, assurance and empathy.

Donabedian (1988) implied that medical quality is an unknown that can be noticed but not measured. Sasser et al, considered the following possible facts for medical service quality measurement. (1) Access: timely access; (2) healthcare personnel; all individuals and groups involved in service delivery; (3) clinical outcome; different results and information; and (4) Patient satisfaction: Patient’s opinions towards quality items, including level of importance, expectation and satisfaction.

McAlexander et al (1994) continued the research on Medical Service Quality with four different testing methods, including the SERVPERF and SERVQUAL and their weighted methods. The findings indicated that SERVPERF is better than SERVQUAL, and that unweighted SERVPERF results are similar to weighted SERVPERF.

Other scholars, such as Georgette et al (1997), do not agree that hospitals use general service quality measurement models, the tri-folded theories by Donabedian (1988) should be utilized instead, which include structure, process, and outcome, to explore medical qualities. The definitions are listed as follows: (1) service structure: the bodies and tools that provide medical services, including hospital spaces, facilities and equipments, number of service attendants and their quality; (2) service process: the main body that provides services,
including the stage during patients consultation, seeking of medical service, and tracking for treatment in hospital’s and (3) service outcome: It is the level of physical recovery after treatment compared to before, such as physical status, attitude, and behavioural changes.

To determine clearly the patients’ perceived quality Georgette et al (1997) conducted research on physicians, nurses, supporting personnel and administrators. Through focus groups and task oriented teams (TOTs), they used more than 500 points and 14 quality facets to evaluate the perceived quality, with considerations of structure, process and outcome. The structure can be divided into two facets: amenities and billing procedures.

Physicians, nurses and supporting personnel are discussed separately during the process. Physicians can be divided into five facets: Professional Expertise, Validation of patient’s belief, interactive communication, image and antithetical performance. Nurse can be divided into three facets: interactive caring, professional efficiency and individualized reliability. Lastly supporting personnel can be divided into two facets: perspicacity and skills. For outcome, it is mainly divided as physical care and emotional care.

In addition, James and Schuler (1990) believed that excellent medical service quality is built on relation between patients and accessible internal personnel or facility. They explored the relation between patients and internal staff (Such as: physicians, nurses, staff and facility), by conducting a random sampling on 500 patients. A five point scale is used as the testing tool and they have proposed five facets: physician service quality; nurse service quality; clinic’s service quality compared to competitors; facilities – operational quality; and technical / other staff service quality.

Fisher (1971) divided hospital quality into three parts: physical environment (such as levels satisfaction in the waiting room, seats and lounge) attitudes towards care (such as appointed
physicians, attitude of communication, service attitude of medical staff); patients attitude towards doctors in general (such as the doctors willingness to understand all facts relating to patients sicknesses, doctors professional ability and whether a doctor explains in detail). The outcome contained six conditions for a good hospital: good physicians; well trained staff; doctors who provide sufficient information; doctors who care about patients; staff with good attitude; respect of patient’s privacy.

Tomes and Stephen (1995) developed a hospital service quality survey based on patients’ level of perception towards service quality. The survey applied Parasuraman et al’s theory on gap between actuality and perception. The research was conducted through in depth personal interviews in a hospital located in the west of England. They reached five intangible facets: empathy; Relationship of mutual respect; dignity; understanding of illness; and religious need. The two tangible facets included are food and the physical environment.

Sharon et al (1998) conducted a research on hospital with SERVQUAL by dividing 472 chosen samples into two groups; one group being patients who have been to hospitals in the last three years, the other group being the first timers. The outcome can be grouped into facilities – related factors and human factors. They found that the first timers tend to care more about facilities – related factors and experienced patients care more for human factors.

From the above studies, it is found that there are very few research work done on measurement of health service quality. When it comes to Medical tourists perceived service quality it is rare, and that to in the context of India and Sultanate of Oman. This research attempts to fill that gap. Hence it gains lot of significance for the Indian Hospitals catering to the overseas markets.
One more important observation made based on the above studies is that most of the studies used SERVQUAL or modified SERVQUAL as an instrument for measuring service quality. But in one of the studies reviewed it is reported that they have tried to measure using SERVPERF and found it significant. Also it is observed that many researchers report more than five dimensions of service quality in their studies. Hence the researcher reviewed the usefulness of SERVQUAL, the most popular measurement instrument for measuring service quality.

2.3 SERVQUAL

Among past studies on services marketing, the SERVQUAL scale developed by Parasuraman et al (1985, 1991, 1994) is one of the leading instruments of service quality and has been widely used by both academics and practising managers, although it has received several theoretical and technical criticisms (Espinoza, 1999; Lin et al, 2001; Sureshchandar et al, 2001). A detailed discussion on SERVQUAL development and criticisms was done in chapter 1.

Although SERVQUAL has become one of the leading instruments of service quality, it has still received some criticisms. These criticisms included the applications to other service settings (eg Carman, 1990), the conceptualization of service quality (eg Cronin & Taylor, 1992; Teas, 1993) and the dimensions and contents of service quality (e.g. Mittal & Lassar, 1996; Sureshchandar et al, 2001).
Also other objections include:

Object of measurement: It is not clear whether the scale measures service quality or customer satisfaction.

Length of Questionnaire: The SERVQUAL questionnaire is too long. It could be shortened by elimination of expectation scores.

Timing of questionnaire administration: The main issue here is whether to distribute the questionnaire before or after the service experience.

Use of the Likert scale: The issues such as the number and labelling of points or the inclusion of a middle alternative in the scale are very important. SERVQUAL authors use a seven point scale, while in many replication studies a five point scale is adopted to increase response rate and response quality.

Use of Pi – Ei difference scores: Ambiguous definition of expectations in the SERVQUAL model seems to be a major problem. Increasing Pi – Ei scores may not always correspond to increasing levels of perceived quality.

From the above discussions the researcher identified two important issues to be sorted out before finalizing the measurement instrument for measuring service quality. They are: 1. Dimensions of Service quality and 2. Whether to use Performance-Expectation measurement approach (SERVQUAL) or Performance only measurement approach (SERVPERF) to measure perceived service quality. To discuss the above issues the researcher reviewed some research works, which are given below. First the discussion is on Service quality dimensions.


2.4 Service Quality Dimensions

Hayes (1997) says the process of identifying customers’ attitudes begins with determining requirements or quality dimensions. Parasuraman et al. (1985) identified in a first study 10 quality dimensions based on a series of focus group sessions. From this study, it is concluded that customers use the same criteria to assess service quality independently of the type of service.

For Hayes (1997), however some quality dimensions are generalised across many services, and it is necessary to understand quality dimensions to be able to develop measures to assess them.

The author explains then two ways of identifying important quality dimensions of services.

1) Quality dimension development approach

2) Critical incident approach

Quality dimension development approach uses different sources of information, such as opinions of providers and literature. The critical incident approach is a process to obtain information from customers.

The 10 determinants of service quality established by Parasuraman et al. (1985) provide a list which can guide investigation in their first approach. The authors subsequently developed SERVQUAL (Parasuraman et al., 1988), a two part instrument for measuring service quality that was refined later (Parasuraman et al., 1991). Much of the research to date has focussed on measuring service quality using this approach and its use has become widespread. (Brown et al., 1993; Kang and James, 2004).
SERVQUAL instrument consists of a 22 item instrument for assessing service quality based on customers’ perceptions, which is, the difference between the customer’s perceived quality and his/her expectation. The perceived quality is assessed based on service quality dimensions that correspond to the criteria used by consumers when assessing service quality. There are 10 potentially overlapping dimensions: tangibles, reliability, responsiveness, communication, credibility, assurance, competence, courtesy, understanding/knowing the customer, and access. A more detailed description of those dimensions can be found in Zeithaml et al. (1990). Afterwards, these dimensions were reduced to five, namely: tangibles, reliability, responsiveness, assurance, and empathy. Using those 10 or 5 dimensions as the evaluation criteria the specification of service quality becomes the gap between customer’s expectations and their perceptions (Parasuraman et al 1985). This performance – expectation model was also adopted by other authors (E.g. Brown & Swartz, 1989).

In spite of its widespread impact on business and academia, SERVQUAL has been subjected to number of criticisms as well. But what is to be re-examined is to verify that in spite of disagreement over use of both the expectations and performance measures and the dimensionality of SERVQUAL instrument. Across industrial settings, researchers and practitioners seem to generally agree that the 22 items are good predictors of overall evaluation of service quality by consumers. The point worth mentioning here is that the completeness of the 22 item scale proposed by Parasuraman et al. (1988) in addressing the critical dimensions of service quality is a subject of further investigation. A careful scrutiny of the scale items reveals that most of the items mainly focus on the human aspects of service delivery and the remaining on the tangibles of service (like the effect of atmospherics, design and décor elements, appearance of equipment employee dress, etc).
The importance of the element of human interaction/intervention in the service delivery has been recognized and reiterated by many other researchers as well (e.g. Mills and Morris, 1986; Norman, 1991; Harber et al, 1993a, b; Stebbing, 1993; Schneider and Bowen, 1992, 1993, 1995; Schneider et al, 1994, 1996). Of the five SERVQUAL’S dimensions, four, namely reliability, responsiveness, assurance and empathy, correspond to this factor of human element in the service delivery.

The fifth dimension, i.e. “tangibles”, relates to the effect of physical facility, equipment, personnel, and communication materials on customers. The effect of these atmospherics, popularly known as “Servicescape” (Bitner, 1992), does influence customers in numerous ways.

Bitner (1992) explained how the employees and customers are influenced by these tangible facets of services in physiological, psychological, sociological, cognitive and emotional ways. Many other authors have also discussed in detail the impact of these servicescapes on the service perceptions by customers (e.g. Kotler, 1973; Shostack, 1977; Booms and Bitner, 1986; Berry and Clark, 1986; Baker, 1987) and their effect on employees (e.g. Becker, 1981; Davis, 1984; Steele, 1986; Wineman, 1986; Baker et al, 1988; Sunolsstrom and Altman, 1989).

Although the importance and relevance of these factors in predicting service quality is without an iota of doubt, acclaimed by one and all, it should also be emphasized that the highly subjective concept of service quality is not only confined to the realms of these two factors, but also includes other critical aspects such as the service product or the core service; systematization/standardisation of service delivery and the social responsibility of the service organisation (Sureshchander et al, 2002).
2.4.1 Core Service

The core service refers to the essence of a service whatever service features are offered is as important as how it is delivered (Rust and Oliver, 1994). Schneider and Bowen (1995) explained that in a service business a lot of emphasis is usually placed on the procedures processes, and contexts for service to the extent the organisation leads to overlook that there is also something called the “Core service”. The authors also reasoned that fancy facilities modern equipment, stylish uniforms, and terrific signs can never make up for bad/mediocre food, poor financial advice, an inappropriate will, or a lousy music.

For instance, the various varieties of food and other dishes a restaurant offers to its customers constitute a service product. Even though the restaurants’ personnel are very friendly, pleasant and gentle to their customers, if the restaurant fails to offer a good quality and tasty food or a wide variety of recipes, customers may not attach a very high value to the quality of service it offers. Even if a lawyer is very considerate and kind to his/her clients, the clients may not perceive his/her service quality as high, if the lawyer lacks competence in making use of the key/subtle points in the law to the clients’ advantage. Although an educational institution has good infrastructure and other supporting facilities, it will not get high rating in the academic world if it lacks well qualified and knowledgeable teachers who can impart quality education to their students. The same is true with hospital service. The cure and recovery from the disease is more important than the technology used, Medical professional’s kindness and so on.

Schneider and Bowen (1995) summarized that core service itself has perceivable, tangible and multidimensional quality features that could distinguish services, and could predominate over other issues such as delivery and the like. The nature and quality of this core service largely influences the quality perceptions of the customers.
2.4.2 Systematization of service delivery

Systematization of service delivery refers to the non human element in the service delivery in contrast to the human element, which has been effectively captured by SERVQUAL. Service delivery processes should be perfectly standardized, streamlined and simplified so that customers can receive the service without any hassles, hiccups or undesired inordinate delay by the service providers. A study of 1500 consumers by Cambridge Reports, a Massachusetts – based research firm, found that 44 percent of the respondents indicated that “ease of doing business with” was the fundamental reason for choosing a financial firm (Zenke and Schoof, 1990).

The effectiveness of the total quality service (TQS) movement relies on understanding and utilizing the process as a tool to respond to customers faster than the competitors (Milakovich, 1995).

Ahire et al. (1995) reasoned that the overall quality of the products or services could be made better by improving the quality of the processes either directly or indirectly. Enhancement of technological capability (e.g. computerization, networking of operations, etc) plays a crucial role in establishing the seamlessness in service delivery.

2.4.3 Social responsibility

Social responsibility is an important concept, which is probably missed out completely in the quality management literature, though it has repeatedly found due recognition and representation in the Malcolm Baldrige Model (US Department of Commerce and Technology Administration, 2000). A study conducted by Zemke and Schaaf (1990) on customers of non – banking financials found that one of the predominant consumer concerns on service quality was: “Equal treatment tempered by pragmatism, stemming from the belief
that everyone, big or small, should be treated the same.” They were also concerned about getting good service at a reasonable price, but at the expense of a quality. With the entire business community undergoing a service quality revolution this subtle aspect helps an organisation to lead as a corporate citizen in encouraging ethical behaviour in everything it does. For instance, a hospital that gives free treatment to the economically downtrodden, an educational institution that grants scholarships for the poor, or a financial institution that provides loans to needy ones with less rigid loan conditions, would certainly be revered and valued by the customers. Although this factor sounds highly complex and imperceptible, it improves an organisation's image and good will thereby influencing customer perceptions of service quality.

To put everything in a nutshell, customer perceived service quality is based on essentially eight dimensions namely:

Core Service, Reliability, Validity, Assurance, Responsiveness, Systematization of service delivery, Tangibles of service (servicescapes), and Social responsibility.

![Diagram showing critical dimensions of customer-perceived service quality](Fig 2.19: Critical dimensions of customer – perceived service quality. (Sureshchander et al, 2002).)

```markdown
- Reliability
- Validity
- Responsiveness
- Assurance
- Tangibles
- Core Service
- Systematization of service delivery
- Social responsibility
```
<table>
<thead>
<tr>
<th>S.No</th>
<th>Critical dimensions</th>
<th>Explanation of critical dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reliability</td>
<td>Ability to perform the promised service dependably and accurately</td>
</tr>
<tr>
<td>2</td>
<td>Empathy</td>
<td>Caring individualised attention the company provides to its customers.</td>
</tr>
<tr>
<td>3</td>
<td>Responsiveness</td>
<td>Willingness to help customers and provide prompt service.</td>
</tr>
<tr>
<td>4</td>
<td>Assurance</td>
<td>Knowledge and courtesy of employees and their ability to convey trust and confidence.</td>
</tr>
<tr>
<td>5</td>
<td>Tangibles</td>
<td>physical facilities equipment, and appearance of personnel</td>
</tr>
<tr>
<td>6</td>
<td>Core Service or Service Product</td>
<td>The core service portrays the “content” of a service. It portrays the “what” of a service, i.e. the service product is whatever features that are offered in a service.</td>
</tr>
<tr>
<td>7</td>
<td>Systematization of service delivery</td>
<td>The processes, procedures, systems and technology that would make a service seamless one Customers would always like and expect the service delivery processes to be perfectly standardized, streamlined, and simplified so that they could receive the service without any hassles, hiccups or undesired/inordinate questioning by the service providers.</td>
</tr>
<tr>
<td>8</td>
<td>Social Responsibility</td>
<td>Social Responsibility helps an organisation to lead as a corporate citizen in encouraging ethical behaviour in everything it does. These subtle, but nevertheless forceful, elements send strong signals towards improving the organisation’s image and goodwill and consequently influencing the customers’ overall evaluation of service quality and their loyalty to the organisation.</td>
</tr>
</tbody>
</table>

From the above discussion, the initial Research Model version 1.0 is further augmented as follows:

![Research Model Version 1.1 Diagram](image)

The second part of our review is on the suitability of SERVQUAL approach or SERVPERF approach for measuring service quality. The ensuing section reviews works on SERVQUAL and SERVPERF approaches.

**2.5 SERVQUAL approach vs. SERVPERF approach**

In terms of how consumers actually evaluate service quality, Parasuraman et al (1985) conclude that consumer’s perception of Service Quality result from comparing expectations prior to receiving the service and their actual experience of the service (disconfirmation model). If consumer’s expectations are not met, it is perceived to be less than satisfactory; and if they are exceeded, it is perceived to be more than satisfactory (delighting the customer). This is a similar approach that of Gronroos (1982), and has developed into the
perceptions minus expectations (P-E) conceptualization of Service Quality referred to as “gap theory”.

In recent times, the P-E conceptualization has come under increasing challenge in the literature (Cronin & Taylor, 1992, 1994, Teas 1993, 1994). To illustrate, Cronin & Taylor challenged the validity of measuring consumer expectations, arguing that an unweighted performance based measure of service quality is more valid than the P-E approach. Furthermore, two issues initially raised by Carman (1990) remain unresolved.

These are:

1. The validity of measuring expectations contemporaneously with perceptions, i.e. after a service has been consumed rather than before (the methodology employed by Zeithaml et al, 1990).
2. The validity of measuring the expectations of consumers who have had no prior experience of a service.

Various studies have found a poor fit for disconfirmation model. In particular Teas (1993) asserts that the model has conceptual, theoretical and measurement problems. Spreng and Olshavsky (1992) contend that the model suffers from problems with regard to measurement of expectations. Due to these problems with the disconfirmation model, researchers are increasingly ignoring expectations completely and measuring perceptions as indicators of service quality. Andaleeb and Basu (1994), Mittal and Lassar (1996) report that this approach results in good predictive power of service quality. Babakus and Boller (1992), Cronin & Taylor (1992) compared that computed difference scores with perceptions and found that perceptions are a superior predictor of service quality than disconfirmation. There is another
significant advantage in measuring perceptions only; data collection is much easier, since there are only half the numbers of items in a questionnaire.

But some researchers caution that the selection of measures, in any case should be guided by the research objectives.

SERVQUAL has been criticized on several grounds, but the two most persistent relate to its psychometric properties and its inferior predictive validity. The psychometric problems stem from the process of subtracting one measurement (expectations) from another measurement (perceptions), in order to create a new construct, for use in subsequent data analysis. This approach has been widely criticized (Babakus and Boller 1992; Brown, Churchill and Peter 1993; Johns 1981; Lord 1963; Teas 1993). To overcome this issue, a Superior alternative measure may be to directly measure a respondent’s perception of the quality of performance against an expectation standard (Brown et al 1993; Carman 1990; Teas 1993; Williams 1988).

There has been a debate regarding the inclusion of expectations in the measurement of service quality (Teas 1993, 1994; Cronin & Taylor, 1994; Parasuraman et al 1994). While Cronin & Taylor (1994) claimed that the perceived performance measure possesses a high predictive ability, Parasuraman et al (1994) assert that the expectation measures can assist management in identifying those areas which require immediate attention. However, Parasuraman et al (1994) concur that if the primary purpose of measuring perceived service quality is to explain the variance on some dependent construct, then a performance based measure is appropriate. In this piece of research, the researcher measures perceived service quality to explain the variance on customer satisfaction. Hence performance based measure is appropriate.
There is growing acceptance among researchers that service quality can be tied to perceptions of service performance (Gronroos, 1993; Dabholkar, 1993).

Oliver (1989) has argued that customer assessments of continuously provided services may depend only on performance, and not on expectations and disconfirmation. Since hospital services are continuously provided services, the researcher argues that customer assessment only on performance and not on expectations and disconfirmation.

An additional consideration that contributed to the decision to use a perceptions measure in this study was its widespread use among professionals (Cronin & Taylor 1994; Parasuraman et al 1994a).

From the above discussion it is established that SERVPERF approach is a better measure than SERVQUAL approach in the present research context. Hence the use of modified SERVPERF (Performance Only Approach) in this piece of research is substantiated.

2.6 Behavioural consequences of Customer Satisfaction

Next phase of the researchers review is on identifying the consequences of customer satisfaction with specific reference to their post-purchase behaviour. The researcher reviewed research work on customer satisfaction and its relationship with service quality and post purchase behaviour and is presented in the following sections.

2.6.1 Customer Satisfaction

The concept of customer satisfaction has drawn the interest of academics and practitioners for more than three decades in the light of the fact that customers are the primary source of most firms’ revenue. Customer satisfaction is a necessary precondition for customer loyalty, which inturn a key driver of profit growth and performance (Reichheld 1993; Hesket et al 1997),
Churchill and Supprenant (1982) define customer satisfaction as an outcome of purchase and use, resulting from the buyer’s comparison of the rewards and costs of the purchase in relation to anticipated consequences. It has also been viewed as an emotional state that occurs in response to the evaluation of a service (Westbrook, 1981). The former conceptualisation recognises that satisfaction is determined by a cognitive process of comparing what customers receive (rewards) against what they give up to acquire the service (costs) whereas the latter views satisfaction as an emotional feeling resulting from an evaluative process. Consistent with this view, customer satisfaction is defined as an emotional response, that results from a cognitive process evaluating the service received against the costs of obtaining the service (Woodruff et al., 1991; Rust and Oliver 1994).

The cost part as far as this research is concernedlooses relevance because of the fact that medical tourists visit India because of its low cost and/or high quality treatment. Therefore what we need to ensure is high quality. This leads to the assessment of the service quality part of the satisfaction in this research.

2.6.2 Relationship between perceived service quality and customer satisfaction

The nature of the relationship between perceived service quality and customer satisfaction is an intriguing issue. Some researchers have suggested that perceived service quality is an antecedent of customer satisfaction. (Anderson and Sullivan 1993; Ravald and Gronroos 1996; de Ruyter et al 1997). Others have adhered to the view that customer satisfaction precedes perceived service quality (Parasuraman et al 1988; Bolton and Drew 1991; Patterson and Johnson 1993). Teas (1993) explained that the confusion as to causal relationship between satisfaction and perceived service quality is due to the lack of consensus on the definition and operationalization of the two constructs. He pointed out that perceived service quality has been viewed as a global judgement in most service quality research, in contrast to
the transaction – specific focus of most customer satisfaction research. It is clear that the confusion on the causal relationship is attributed to the different perspectives held by the researchers. Perceived service quality can be viewed at the level of both the transactional perspective and the global perspective (Teas, 1993; Oliver, 1993; Parasuraman et al, 1994). At the transaction level, perceived transaction – specific quality will influence customer satisfaction, and at the global level, the overall perception of a firm’s service quality is based on customers’ cumulative transaction – specific satisfaction with the service.

2.6.3 Relationship between Customer Satisfaction and Post – purchase behaviour

Studies have shown a strong positive relationship between customer satisfactions and repurchase intention (Mc Dougall and Levesque 2000; Olsen 2002). However, some researchers have suggested that mere satisfaction is not enough to keep customers loyal in highly competitive markets (Jones and Sasser, 1995). The relationship between customer satisfaction and loyalty may vary according to the degree of competition in the market. Customers who are satisfied with the service will also switch suppliers if they see that there is a better alternative elsewhere. On the other hand, where there is no choice, customers will continue purchasing from the same supplier even though they are dissatisfied with the service.

Bernhardt et al. (2000) revealed that restaurants with increased customer satisfaction mean scores achieved higher percentage increases in average monthly profits than those restaurants with stable or reduced customer satisfaction mean scores.

Anderson, Fornell and Lehmann (1994) found that contrary to the general belief, there was a trade off between customer satisfaction and market share. Since their data were cross sectional, they explained that in the short run, market share might be gained by seeking
customers with preferences falling outside the target market. However, in the long run, they expected customer satisfaction and market share to be positively related.

In summary, customer satisfaction is an important determinant of post purchase behaviour, which in turn expected to affect the firm’s future profitability. From the above discussion, it is posited that the more satisfied customers feel with the service they receive, the more likely it is that they will repurchase the service and recommend it to other people.

2.6.4 Customer satisfaction, service quality and post purchase behaviour

In highly competitive markets, firms are increasingly concerned with customer’s post purchase behaviour. It is recognised that merely satisfying customers is not sufficient to gain customer loyalty (Jones & Sasser, 1995). Studies have shown that satisfied customers also express a tendency to switch to competitors (Mittal and Lasser 1998). In the past decade, quality has been recognised as a strategic tool to strengthen a firm’s competitive position and improve its profitability (Reichheld & Sasser, 1990). However, as customers become more demanding, competition further intensifies, and economic and industrial growth slows down, quality might not be an adequate source of a competitive advantage. Woodruff (1997) believes that customer value is next underlying source of competitive advantage consistent with this view, Weinstein & Johnson (1999) consider that customer value is the strategic driver that differentiate a firm’s offering in the crowded market place.

Customer satisfaction, quality and perceived value are three prominent marketing constructs, and their relationships with post purchase behaviour have drawn considerable interest and attention from practitioners and academics (Sweeney et al, 1997; Mc Dougall and Levesque 2000; Cronin et al. 2000). Parasuraman and Grewal (2000) suggest that quality enhances perceived value, which in turn, contributes to customer loyalty. This quality value loyalty
model accords with Hesket et al’s (1997) service profit chain which places perceived value at the centre of the chain linking employee satisfaction, loyalty, productivity and output quality with customer satisfaction, loyalty and profitability.

Hesket et al (1997) define perceived value as the ratio of process of quality and results delivered to customers relative to the price and the other costs incurred in acquiring the service. According to the service profit chain model, satisfied and loyal employees create output quality, which contributes to perceived value, and in turn directly influences customer satisfaction and loyalty, which in turn drive profit performance and growth. However most studies have neglected the contribution of customer perceived costs to perceived value. Ravald and Gronroos (1996) consider that studies have not explicitly included customer’s perceived costs may be a shortcoming as this variable plays a significant role in determining satisfaction. In order to design effective strategies to enhance customer satisfaction and loyalty, it is imperative to understand the role of quality and costs in customer value assessment and their relationships with satisfaction and post purchase behaviour.

2.6.5 The Behavioural Consequences of Service Quality

One of the issues of the highest priority today involves understanding the impact of service quality on profit and other financial outcomes of the organisation (Greising 1994; Rust Zahorik, and Keiningham 1995).

Research on the relationship between service quality and profits has begun to accumulate and one thing is clear. The link between service quality and profits is neither straight forward nor simple (Greising 1994; Zahorik and Rust 1992).
The model depicts the behavioural consequences of service quality as intervening variables between service quality and the financial gains or losses from retention or defection.

Behavioural intentions can be viewed as indicators that signal whether customers will remain with or defect from the company (Zeithaml et al, 1996).

Zeithaml et al (1996) found that there are five dimensions to behavioural intention: loyalty to company (loyalty), Propensity to switch (Switch), willingness to pay more (Pay more), External response to problem (external response), and internal response to problem (internal response).

Drawing the insights regarding the relationship between service quality, customer satisfaction, and behavioural consequences, the researcher augmented the research model version 1.1 by introducing the behavioural consequences constructs.
2.7 Evidence for our overall Service quality measurement of a sector

ACSI (American Customer Satisfaction Index) represents a new type of customer based measurement system for evaluating and enhancing sectors, and national economies. The ACSI measures the quality of goods and services as experienced by the consumers who consume them.

An individual firm’s ACSI represents its served markets’ – its customers overall evaluation of total purchase and consumption experience both actual and anticipated (Anderson, 1994; Fornell et al, 1996). Analogously, any industry’s ACSI represents its customer’s overall evaluation of its market offering and so on, for sectors, nation, etc.,

Thus it is possible to find the medical tourists perceived service quality of Indian hospitals, without any specific reference to individual service provider.

Fig 2.22 Research Model Version 1.2
2.8 Evidence for conducting a study on Sultanate of Oman

Each country is believed to have its own unique set of quality dimensions (Xiande Zhao et al, 2002) with different levels of importance (Feinging et al, 1995). Therefore any findings from previous studies in other countries may be irrelevant in the present context (i.e.) Sultanate of Oman. Hence there is need for a study with respect to Medical tourists from Sultanate of Oman and their perception of service quality in Indian Hospitals.

2.9 Gaps in the Existing Research

The researcher’s exposure during the literature review process and from his personal experience the gaps are identified and summarized below.

- Service quality is a multidimensional construct and the dimensions are contextual in terms of nature of service, perspective and so on. Hence there is a felt need to identify the service quality dimensions from the perspective of medical tourists.

- The literature suggests many approaches towards measuring service quality. There is a gap in identifying the suitable approach towards measuring service quality with respect to medical tourism. Hence this study attempts to close that gap.

- Literature survey shows that there are many studies pertained to Healthcare quality, Medical quality, Hospital quality both National and International. To the knowledge of the researcher there is no study on Hospital quality in India from the perspective of Medical Tourist from a foreign country, especially Sultanate of Oman. Hence this study.

- There are very few studies investigating the behavioural consequences of service quality on the customer (Medical tourists’) (i.e.) what is the attitude and action of a
satisfied customer (Medical Tourists). Hence, it is identified as a gap to be addressed in this study.

2.10 Statement of the problem

Many foreigners visit India as medical tourists. One of the prominent group of medical tourists are from Sultanate of Oman, a gulf country. There are many hospitals in India provide service to the medical tourists.

From the literature survey it is found that service quality provides competitive advantage to the service organisations. Now the problem is how to deliver superior service quality. This leads to the problem of measuring service quality. The literature also shows that there is a gap in measurement of customer perceived service quality in medical tourism sector.

Hence this study aims at solving this problem of measuring the Omani medical tourist perception of service quality in Indian hospitals. Also this study investigates different approaches in measuring service quality, medical tourism and behavioural consequences of a satisfied medical tourist. This would solve the problem of service quality improvements in Indian hospitals catering to medical tourists, especially from Sultanate of Oman.

Also it is observed that very few studies have been done in medical tourism in India and it is rare to see a study conducted in Sultanate of Oman. Therefore this study closes that gap.