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FRAMING PERCEIVED SERVICE QUALITY AND RELATED CONSTRUCTS

A MULTILEVEL APPROACH

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ABSTRACT

Despite many publications on perceived service quality, the position of the construct relative to other key constructs in marketing/consumer behavior remains vague. This paper tries to bring conceptual clarity with regard to the relationships between perceived service quality, customer satisfaction/dissatisfaction, attitude, and repurchase intention. An integrated framework is presented based on a review of the literature on each of the relevant constructs. Central issue in this integrative model is the distinction between three levels of expectations and product performance. It is by using these three levels that the important concepts perceived service quality, satisfaction, attitude and repurchase intentions can be related. It will be shown that perceived service quality must be treated as an antecedent of these constructs and not, as is often noticed in marketing practice and literature, as the ultimate goal. Finally, directions for future research are discussed to verify this theoretical framework.
1. **INTRODUCTION**

The concept of perceived service quality (PSQ) has attracted much attention in marketing theory and practice. Although many articles have been devoted to the construct, conceptualization of PSQ has remained vague. For example the most commonly used definition of PSQ - the discrepancy between expectations and perceptions of performance (Lewis and Booms, 1983) - is often criticized. Cronin and Taylor (1992) e.g. concluded that judgments of service quality appear to follow the evaluation of a service provider’s performance. Other authors criticize the ambiguity concerning expectation norms. Although experience based norms as well as focal brands are frequently discussed in PSQ literature their precise relationships with PSQ and other concepts is still ambiguous. This is also true for the connections between each of the PSQ related concepts such as (dis)satisfaction and attitude.

With respect to the relationships between PSQ and other theoretical concepts a number of questions arise. For example: is PSQ a concept similar in many ways to attitude, as claimed by e.g. Bolton and Drew (1991a,b) and Olshavsky (1985)? What is the conceptual difference between PSQ and customer satisfaction/dissatisfaction (CS/D)? According to Bitner (1990) and Bolton and Drew (1991a,b) PSQ and satisfaction are distinct constructs. They stated that satisfaction is an antecedent of service quality as opposed to Parasuraman, Zeithaml and Berry (1985, 1988) who proposed that higher PSQ will lead to increased consumer satisfaction. Finally it is often assumed that there is a direct relationship between perceived quality and repurchase intentions. Research by Cronin and Taylor (1992) shows that it is not quality but satisfaction that has the significant effect.

It is clear that the overwhelming attention devoted to PSQ caused clarity of the concept but also ambiguity. In this paper we propose a theoretical model, framing perceived service quality and the most important related concepts consumer satisfaction/dissatisfaction, attitude and purchase intention.
2. THE CONCEPT OF PERCEIVED SERVICE QUALITY

2.1. Introduction

Quality can be defined broadly as superiority or excellence. By extension, perceived quality can be defined as the consumer’s judgment about a product’s overall excellence or superiority. According to Zeithaml (1988), perceived quality is (1) different from objective or actual quality, (2) a higher level abstraction rather than a specific attribute of a product, (3) a global assessment that in some cases resembles attitude and (4) a judgment usually made within a consumer’s evoked set. Whereas fitness for use (Juran, 1984; Lemmink, 1991; Steenkamp, 1989; a.o.) is an appropriate definition of perceived quality of products, it is not when discussing services. The physical intangibility of services and the often non-standardized product and interactive production process stress the importance of a perceived quality description suitable for services.

Perceived service quality is most often described as the discrepancy between a customer’s expectations and perceptions of performance (Grönroos, 1983; Lewis and Booms, 1983; Parasuraman, Zeithaml and Berry, 1985, 1988, 1991; Carman, 1990; Colier, 1987; a.o.). The rationale behind the development of this specific definition can be covered by the following aspects:

- Because of the inherent physical intangibility of services, mental processing is extremely important but difficult. A humanistic, psychological based concept (Jacoby and Olson, 1985) must be treated consequently;
- Quality seems to be the most important issue in services marketing. Whereas the definition of perceived quality of products focuses on the actual perceived performance of the product and is in this respect distinctive from e.g. convenience (Holbrook and Corfman, 1985, Van Raaij, 1988) and the behavioral costs (Verhallen and Van Raaij, 1986). PSQ is less precise and territorial;
- Service quality has to be differentiated from the service level, or service quantity.

The stated definition made it possible to model service quality (perception) processes. The SERVQUAL model composed by Parasuraman et al. (1985) is without doubt the most popular and also most criticized model in perceived service quality literature.

2.2. Servqual benefits

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4 Some definitions of expectations:
Expectations are beliefs or predictions about a focal brand's having desired attributes (Oliver, 1980), Olson and Dover (1979).
Expectations are subjective notions of things to come (Katona, 1958).
The Servqual model and measurement procedure is popular because it departs from both expectations and perception of performance. This distinction has made it possible to integrate both the customer and the service provider in one model whereas most other related models are restricted to either the customer or the service organization.

**Dimensions.** The Servqual model appeared to be helpful as an effective marketing instrument as it made it possible to trace quality pitfalls in the service delivery. Besides that it showed some antecedents that influence service quality and the dimensions or attributes customers use in defining service quality. The ten attributes originally found in 1985 were compressed to five by means of factor analysis. Reliability, responsiveness, tangibles, assurance and empathy are the orthogonal dimensions of PSQ (Parasuraman, Zeithaml and Berry, 1988). These findings offer possibilities to manage service quality expectations as well as service quality performance and therefore to manage service quality.

**Measurement.** In order to measure the difference between expectations and perceived service performance, a 22 item scale was developed (Parasuraman, Zeithaml and Berry 1988). This scale corresponds to the dimensions of service quality and can be used as a comprehensive instrument for quality diagnosis. Perceived service quality is simply measured as the computed differences between perceptions of performances and expectations on each item.

**Expectations versus performance perceptions.** In order to be able to accurately manage service quality expectations as well the model (Parasuraman et al., 1985) was expanded into the 1991 model (see figure 1). Using and integrating Customer satisfaction and dissatisfaction (CS/D) into service quality literature the authors concluded that there are three in stead of just one perceived service quality gap. The 'perceived service superiority' deals with the discrepancy between the perceived service performance and the desired (best) service while the 'perceived service adequacy' is the difference between the adequate (acceptable) service and the perceived performance. Both deal with what the customer believes 'can be' and 'should' be delivered. The difference between the two concerns the zones of tolerance. If services performance lies within these zones, quality is guaranteed. Therefore zones of tolerance seem to be the important new services marketing management issues.

Figure 1. Zeithaml, Berry and Parasuraman’s Servqual model extension (1991).
2.3. Servqual problems

The Servqual procedure is criticized because of the implicit and explicit presuppositions.

Dimensions. One of the earliest comments on the Servqual model concerns the generalizability of the quality dimensions. Carman (1990) e.g. showed that the dimensions reliability, responsiveness and tangibles are the only robust variables across services. Other dimensions are service class related and must therefore be investigated before quality measurement is executed. Another point of criticism is the meaning and significance of these quality dimensions. Questions still not answered are, for example: How specific are expectations formed on these dimensions before and during the service production/consumption process?; What is the effect of critical incidents on the dimensions? and Do people actually form quality expectations on these dimension each time and all services?

Measurement. Another problem often highlighted in literature is the measurement of PSQ itself. In Servqual and in some satisfaction studies, expectations have been measured at the same point in time as the performance perceptions. It is, however, likely that the expectations scales will be affected by the actual offer and will not represent the consumers’ expectations before they consumed the product (Liljander and Strandvik,
Not only are the 22 items at itself questionable, they are also measured on a highly aggregate level. Not the individual transaction is being studied but the overall performance and expectations of the service provider. The concept satisfaction is used for the discrepancy between expectations and performance on the transaction level. However, satisfaction/dissatisfaction literature shows that persons can also be satisfied on a organizational and even on a overall product class level (e.g. Andreasen, 1984; Futrell and Parasuraman, 1984; Rice et al., 1991). On the other hand, people also seem to be able to define quality on the transaction level and actually do so.

Another problem of the Servqual approach is made clear by Parasuraman et al. themselves. In their 1991 M.S.I. working paper they tried to extend their model by investigating the antecedents of service quality expectations in order to be able to anticipate on service quality problems. It may be concluded that the antecedents presented here are too divers, and that related concepts, e.g. satisfaction, are introduced without sufficient evidence obtained from literature, trying to stand one’s ground.

**Expectations versus performance perceptions.** Tse and Wilton (1988) found that the customer uses several expectation standards simultaneously. Cadotte et al. (1987) differentiated three types of norms to be valid and useful. The brand norm, the best brand norm and the product norm show clear parallels with the statement made above by e.g. Andreasen (1984) and Rice, Gentile and McFarlin (1991). Another problem in this context is the assessment of quality problems. A discrepancy between expectation and experience will not automatically result in a dissatisfied customer. This will depend, amongst others, on the degree of (dis)confirmation and the attribution of the quality problem as is often confirmed in literature (see e.g. Oliver and Swan, 1989a). Finally it is important to stress that there is some evidence that it is not always necessary/possible to separate expectations from performance on the higher, organizational or even product class level. In frequently used services, especially those the customer has low involvement with, the aggregated performance experiences equal the overall expectations (Johnson and Fornell, 1991).
3. PERCEIVED SERVICE QUALITY, RELATED CONCEPTS AND MODELS

3.1. Introduction

Recently, a number of articles has been published which relate perceived service quality to other constructs like attitude towards a service, customer satisfaction/ dissatisfaction (Bitner, 1990; Bolton and Drew, 1991a, b; Goossens, 1992; Parasuraman et al., 1991) or perceived value (Zeithaml, 1988). In order to reach our ultimate goal, which is to bring some clarity in the significance of perceived service quality with respect to other psychological and behavioral constructs, the studies and models involved are discussed separately with respect to their theoretical implications. We explicitly consider the level of aggregation which applies to the various constructs as we believe this is one major source of the existing confusion regarding the interrelationships between the constructs.

3.2. Perceived service quality and perceived value

In her article on means-end relationships between price, perceived quality and perceived value, Zeithaml (1988) models perceived quality as resulting from perceptions of performance and expectations, while perceptions of value result from quality perceptions confronted with monetary and non-monetary sacrifices. Perceived quality is presented here as an antecedent of perceived value. Quality perceptions result from perceptions of "get" components of a product, while perceived value involves both "give" and "get" components. In line with this Holbrook and Corfman (1985) found that perceived value is composed of perceived quality, convenience, fun, and price. From these studies we may conclude that perceived quality is a construct which is less comprehensive than perceived value.

3.3. Perceived service quality, satisfaction/dissatisfaction and attitude

Parasuraman et al. (1991) state that the difference between the constructs perceived service quality and satisfaction/dissatisfaction (CS/D) lies in the nature of the expectations involved. The three standards of comparison they use (see 2.2.) differ not only with respect to content, but also in their level of aggregation. The standard of comparison used for CS/D in this model - predicted performance - concerns an individual transaction, whereas norms reflecting desired or adequate service are developed in time, over a number of transactions, probably with multiple service providers and their organizations. With respect to some service dimensions these norms may even apply to a general product class. Implicit in the model is an expectations hierarchy in which
predictions about a particular service transaction are derived from more general norms. Beyond that, Parasuraman et al.’s conceptualization of expectations as standards of comparison in CS/D is only one of a number of previous conceptualizations of expectations within the context of the disconfirmation of expectations paradigm. In this paradigm satisfaction is related to the size and direction of the disconfirmation experience. Satisfaction results when expectations are confirmed or positively disconfirmed, e.g. the product performs as expected or better than expected respectively. Dissatisfaction results when expectations are negatively disconfirmed, e.g. the product performs more poorly than expected. Expectations have been operationalized in addition as: (1) ideal product performance (e.g. Holbrook, 1984), (2) experience-based norms (Cadotte et al., 1987; Woodruff et al., 1983), (3) equitable performance (based on equity theory; Adams, 1963; Oliver and Swan, 1989a,b), and (4) minimum acceptable performance (Thibaut and Kelly, 1959). In addition to the disconfirmation of expectations paradigm, equity theory differently incorporates standards of comparison in CS/D theory. Oliver and Swan (1989a,b) suggest both equity and disconfirmation should be treated as antecedents of satisfaction in consumer exchange. Equity and perceived disconfirmation differ fundamentally on both the standard for comparison and the nature of relevant outcomes (Oliver and Swan, 1989b). In assessing the degree of equity customers compare their own outcomes, such as perceived service performance, to inputs like money, time and other non-monetary sacrifices. The merchant’s outcomes are compared to his inputs by the customer. Once integrated into equity units these comparisons are stated to be determinants for CS/D experiences by their effects on preference and fairness. In the disconfirmation paradigm, expectations or norms are used to assess actual performance. Oliver and Swan (1989b) found perceived disconfirmation and fairness to have a highly significant effect on satisfaction. The concept of equity is especially relevant with regard to services. As services are considered to be ongoing processes fairness of procedures followed (e.g. complaint handling; Folger, 1977) is relevant, in addition to fair prices.

Given the variety of standards of comparison used in theory and analysis of CS/D the analogy between PSQ and CS/D in literature, following the disconfirmation of expectations paradigm, is striking. In this respect it seems relevant to consider the possibility of other theoretical issues being at stake.

First, CS/D results from "the buyer’s comparison of the rewards and costs of the purchase in relationship to anticipated consequences" (Churchill and Surprenant, 1982). With respect to CS/D both give and get components are traded off against each other, whereas perceived service quality concerns only get components (Holbrook and Corfman, 1985; Parasuraman et al., 1988). Perceived service quality does not involve costs, either monetary or nonmonetary, associated with obtaining the service. As is clear from examples involving equity theory, PSQ as “a judgment concerning a product’s superiority” may be input to CS/D experiences, for which in addition, attributes like price and other sacrifices are considered. As PSQ may be an input of satisfaction, the latter construct
comprises more than perceived service quality. It is also clear that CS/D and attitude are not restricted to cognitive but also incorporate affective components (see e.g. Pieters and van Raaij, 1988).

Second, CS/D is considered a postdecision construct, whereas attitude is a prededuction construct (Churchill and Surprenant, 1982). CS/D is considered a mediator between preexposure and postexposure attitudes (LaBarbera and Mazursky, 1983; Oliver, 1980,1981; Yi, 1989). As such, attitude, involving trade-offs between give and get components, comprises perceived service quality.

Finally, quality perceptions may concern individual transaction as well as overall judgments pertaining to an organization or a product class. On the basis of previous experiences, word-of-mouth communications, and personal needs expectations are derived as standards of comparison (Parasuraman et al., 1985). With little or no experience with a certain product class these expectations are based on perceived performance before, during, and after the transaction (Yi, 1989). As experience grows, norms pertaining to a product class will be applied to particular organizations and particular products, and (the level and fluctuations in) perceived performance in time may be relevant for the overall judgment concerning the organization.

3.4. Repurchase intentions

Theoretically, PSQ as such is not likely to cause any behavioral reactions. Evidence is provided by Cronin and Taylor (1992) who found a much stronger relationship between CS/D and repurchase intentions than between perceived service quality and repurchase intentions.

To a large extent it is the customer’s attitude, which is modified by CS/D resulting from a particular transaction, which determines repurchase intention via norms serving as thresholds. Despite attitude, in our context, being the variable which is most likely to affect repurchase intentions, literature shows evidence that a significant relationship between satisfaction and (re)purchase intentions exists (Cronin and Taylor, 1992; LaBarbera and Mazursky, 1983; Oliver and Swan, 1989). Repurchase intention has been modeled as a function of the previous intention, the current attitudinal level, and the satisfaction level (Howard, 1974; Oliver, 1980) which has not been tested satisfactorily. It was also modeled as a function of satisfaction, and previous intention (LaBarbera and Mazursky, 1983). In practice, most transactions confirm an existing attitude, but given the degree of CS/D a neutral attitude will coincide with lower repurchase intentions than a positive attitude. For example, when attitude is negative, a consumer may not want to return to a service provider. It also must be noted that a neutral or positive attitude may

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5 Perhaps these relationships are due to spurious effects.
change into a negative one because of the experiences with one particular transaction. These so-called critical incidents (Bitner et al., 1990) which cause extreme satisfaction or dissatisfaction may transform a neutral or positive attitude into a negative one, and vice versa.

3.5. Models

Some of the concepts briefly discussed above have already been modelled by several researchers. Besides the 1991 model by Parasuraman et al. (see figure 1) the models composed by Bitner (1990) and Bolton and Drew (1991a,b) are interesting.

Figure 2. Bitner’s model (1990)
Bitner (1990) models perceived service quality as a consequence of satisfaction/dissatisfaction experiences (see figure 2). She follows the disconfirmation of expectations paradigm in stating that perceptions of performance and prior expectations determine perceived disconfirmation with a transaction, which in turn affects CS/D and may be mediated by attribution processes. Finally, behavioral consequences are stated to follow from perceptions of service quality. PSQ is modelled here as an attitude-like construct; CS/D is a mediator of attitude which may affect behavioral intentions. We believe it is unlikely that CS/D will affect PSQ directly. CS/D affects attitude, which will be reflected in expectations at an aggregated level.

Figure 3. Bolton and Drew's model (1991)
Bolton and Drew (1991a,b) model attitude as a function of CS/D and prior attitude (see figure 3). Customer satisfaction/dissatisfaction as a determinant of attitude is modeled by them as a function of disconfirmation, perceived performance and prior expectations. Attitude was operationalized as the overall quality of all services provided by the company. Here perceived service quality is considered to be an attitude towards the company and all its services, while satisfaction is expressed with regard to performance of a service offered locally. Bolton and Drew prove that satisfaction with a particular service affects attitude on a higher level of aggregation, namely the customer’s attitude towards the organization.
4. AN INTEGRATIVE FRAMEWORK

In figure 4 a framework is presented integrating the constructs attitude, perceived service quality (PSQ), perceived value, customer satisfaction/dissatisfaction (CS/D), and repurchase intention.

The expectations and performance constructs in the model consist of three levels: (1) macro - indicating expectations and perceptions of performance on a product-class level, (2) meso - indicating expectations and perceptions of performance with regard to the service provider, and (3) micro - indicating expectations and perceived performance with regard to an individual transaction. In this context the difference between quality expectations and quality experiences on each level results in PSQ on that level. The same goes for price (PSP), convenience (PSC), and fun (PSF). Comparison of expectations and perceived performance on quality, price, convenience, and fun at each level results in perceived value on each level. The components of expectations and performance presented here are suggested by Holbrook and Corfman (1985) in the context of consumer goods. Extension and modification of these components to the context of services marketing deserves attention and is done in the discussion section of this paper.

The model shows an inner circular loop. We started our discussion of the model with expectations on the meso-level, which can be considered an initial attitude. In the pre-transaction stage, when the consumer is confronted with the pre-transaction service levels, ‘micro’ expectations are formed and ‘micro’ performance is perceived during the service production process. Confrontation of expectations and performance (as indicated by the circle in the middle of the line linking the two constructs) causes a certain amount of (dis)confirmation, leading to satisfaction or dissatisfaction, possibly mediated by attribution processes (Weiner, 1986). The CS/D process shown here is based on the disconfirmation of expectations paradigm, extended with attribution theory (e.g. Bitner, 1990). Naturally, CS/D is not restricted to individual transactions. CS/D as a meso or macro construct fits with customers being satisfied with organizations or even with product classes. CS/D mediates attitude change and attitude modifies expectations regarding the organization.

At the macro level expectations are norms regarding service performance of a product-class. These expectations are formed by previous experiences at the product-class level and influence organization-specific expectations. Perceived performance at the macro level is derived from previous experiences during transactions via meso-level experiences. Finally, repurchase intentions are determined by the discrepancy between macro service-norms with respect to the product class and expectations regarding the organization. The smaller the gap between the product-class norms and the expectations regarding organizational service levels, the higher repurchase intentions will be.
Figure 4. An integrative framework of perceived service quality, satisfaction/dissatisfaction, attitude and repurchase intention\textsuperscript{1}

\textbf{macro level:} \\
(product class) \\
performance: 
* price 
* quality 
* convenience 
* fun 

macro perceived value: PSQ, PSP, PSC, PSF

expectations: 
(norms) 
* price 
* quality 
* convenience 
* fun

repurchase intention

\textbf{meso level:} \\
(organization) \\
performance: 
* price 
* quality 
* convenience 
* fun 

meso perceived value: PSQ, PSP, PSC, PSF

expectations: 
(initial attitude) 
* price 
* quality 
* convenience 
* fun

\textbf{micro level:} \\
(transaction) \\
performance: 
* price 
* quality 
* convenience 
* fun 

micro perceived value: PSQ, PSP, PSC, PSF

expectations: 
* price 
* quality 
* convenience 
* fun

(dis)confirmation

cognitive 
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attribution

affective 
------------------

satisfaction

attitude

\textsuperscript{1} Circles indicate confrontation of two constructs; arrows indicate direct relationships.
The model described here is based upon a relatively low experience context c.q. a high involvement service. There will however be certain service organizations for which a simplified model is appropriate. For example, with low involvement services and/or services consumers have much experience with, expectations may equal perceptions of performance. In this case the expectations do not have to be considered separately from expectations at each level of aggregation.
5. DISCUSSION

In this paper we investigated perceived service quality and some of its related concepts satisfaction/dissatisfaction, attitude and repurchase intention. It was shown that in literature these concepts are treated in different ways which has lead to confusion and even to obstruction in the development of service quality knowledge. We tried to solve this problem by extracting the concepts on three “levels of aggregation”.

The conclusions are interesting because it seems that perceived service quality is just a small, but important, part in the perceived value construct. Values can be formed with respect to an individual transaction level but also on an organizational or product class level. These levels also interact on expectations and on perceived performance directions as is shown in the inner circle of the model. Attitude, which is the concept that influences repeat purchase behavior in our model is influenced by satisfaction. Satisfaction on its part can also be studied on the three levels and is the result of the confrontation of price, quality, convenience and fun expectations and perceived performance and modified by disconfirmation and/or attribution.

As our model seems to be a refreshing integral framework it has to be noted that it is based upon a theoretical investigation of present literature. In order to further validate this preliminary model the (new) interrelationships between the concepts have to be verified empirically. This also goes for the assumption that the value components price, quality, convenience and fun, which are relevant in product consumer behavior, are also the main determinants in services. Recently a study was started trying to support our model and its underlying relationships.
REFERENCES


