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QUALITY MARKS

prospective tools in managing service quality perceptions

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Introduction

As a reaction to the quality sensitivity at the market demand side (Steenkamp, 1989; Zeithaml, Parasuraman and Berry, 1985, 1990 a.o.) the supplier side raises quality as a strategic competitive weapon (e.g. Porter, 1980; Kotler, 1984; Juran, 1984). This is especially so in markets where competition is high (Tettero and Viehoff, 1987). If quality is to be an effective marketing instrument, specific attention for and control of perceived quality is indispensable. The technical quality of the product and the production process are dissatisfiers and prerequisites for perceived quality.

Perceived quality literature focuses on the perceived quality delivery. However, perceived quality concerns the matching of quality deliverance and expectations (Parasuraman et al., 1985). In their SERVQUAL-model, four gaps are distinguished to explain perceived quality problems in services. Three of them are internally orientated (delivery), and one is concerned with external or perceived quality control aspects (expectations). Qualitative research by the same authors provide some indications about the nature and determinants of customer expectations (Zeithaml et al., 1991).

This study offers possibilities to improve perceived service quality not only by means of managing service quality delivery but also by managing service quality expectations.

Managing service quality

The main reason to devote specific attention to quality of services is the acceptance that services

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are, on intrinsic elements, different from goods (e.g. Tettero and Viehoff, 1987; Lovelock, 1988). These characteristics impede the service provider to get control of the quality perception process in several ways:

1. The intangibility of services implicates that the product itself offers little for the inference of the quality. This leads to quality unsteadiness;
2. The flexibility and lack of (desired) standardisation of the product and production process offers the service organizations no foothold to communicate the service features unambiguously. "Everything is possible" and "it shows as it shows" fortifies the incertitude and offers little opportunity to attend the quality perception in an adequate manner.
3. As the customer is part of the service production process, the client not only forms a quality perception of the service (the outcome) but also of the way it is delivered during the production process (Neijzen and Trompetter, 1989; Gronroos, 1982).

It is evident that in services the assessment of quality by the customer and the control of quality by the service provider is far more difficult than it is in the case of tangible products. Quality formation by the client and quality control by the provider are interactively related. The formation of the quality perception can be simplified when the client is made clear what to expect of the service and its provider, and what not to expect. This insecurity reduction places demands on the provider who should take care of quality control and quality assurance. Although control and guidance of the customers' quality perception process is of vital interest, it is often omitted due to its apparent complexity.

It is said that customers usually don't know what they are getting, until they don't get it (Levitt, 1981). To get a grip on the quality perception of services, it is necessary to unfold the quality perception process to see where and how this expectation process can be influenced by the provider (Roest and Frambach, 1992).

Service quality perception

Literature on the quality perception process emphasises five topics that will be discussed successively:

1. Information collection (Bettman, 1979; Van Raaij, 1977; Wilkie, 1990; Schiffman and Kanuk, 1987 a.o.);
2. The selection of quality cues (Miller, 1956; Crane and DeYoung, 1990; Monroe and Krishnan, 1985; Steenkamp, 1989 a.o.);
3. The formation of quality attributes (also when derived from quality cues) (Juran, 1984; Garvin, 1987; Van Raaij, 1977 a.o.);
4. The formation of quality expectations (also when derived from quality attributes) (Holbrook and Corfman, 1985; Zeithaml, 1988; Parasuraman, Zeithaml and Berry, 1985; Zeithaml, Berry and Parsuraman, 1991 a.o.) and
5. Perceived quality evaluation (e.g. perceived differences between desired and adequate expectations and perceived service delivery) (Kasper and Lemmink, 1989; Brown and Swartz,

1989; Zeithaml et al., 1991 a.o.).

The consumer is in need of information to assess the value of an offering that includes the perceived give and get components (e.g. quality) (Van Raaij, 1988; Holbrook and Corfman, 1985 a.o.). In this respect it is of importance to specify which criteria information must meet, to serve this purpose. Willenborg (1985), in reference to Weser (1980), shows the requirements for information for optimal usage (see Table 1.).

According to Bettman (1979), consumers will first look for internal, passive or active gathered information, because of its simplicity. However, internal information can be absent, insufficient or in conflict with other information. Dependent on the perceived risk or the level of conflict (Box, 1979) the consumer will ignore the lack of (suitable) information and/or search for external information. Desired external information completion, the amount and type of information, will also depend on marginal behavioral costs (time, money, effort) (Verhallen and Van Raaij, 1986).

Fishbein and Ajzen (1975), Steenkamp (1988) and others state that quality beliefs and quality attribute beliefs can be formed in several ways:

- Inferential belief formation, in which the consumer forms beliefs about quality attributes from relevant information. Quality cues are, dependent on their predictive and confidence value, used as intermediate variables to infer quality(attributes).*
- Descriptive belief formation, in which the customer comes to quality(attribute) beliefs by direct sensory contact, without use of intermediate cues.*
- Informational belief formation, which is influenced by information on quality(attributes) provided by external sources e.g. experts.*

Basic in these processes are the use of search, experience and credence attributes. Search attributes (e.g. style) are product benefits that can be accurately judged before consumption. Experience attributes (e.g. competence) can only be determined during consumption. Credence attributes (e.g. reliability) may never be assessed. Before consumption, experience and credence attributes will be estimated. The actual usage of these three processes to evaluate quality differ.

Because of the absence of ready available search attributes, descriptive belief formation is only possible after testing a service before buying it, which is often impossible.

Inferential belief processing, from available information, is the one most commonly used. It also shows several problems: the lack of relevant intrinsic cues (Olson and Jacoby, 1972) and purposeful information, the low confidence and predictive values, the presence of a-priori beliefs (Steenkamp, 1989) and the lack of motivation to deduce quality in an intensive and systematic way. Especially in situations of low involvement by the client, or in situations with high involvement accompanied by confusion or a lack of personal capacity and/or ability, the transformation process of cues into attribute expectations and of attribute expectations into

quality expectations will be superficial and heuristic (Furse, Punj and Stewart, 1984; Van Raaij, 1977). Before external quality control is going to be possible, research on how cues are used and translated into service attributes is necessary. Literature on cues is scarce (see e.g. Crane and DeYoung; 1990) but on attributes however readily available (Garvin, 1987; Juran, 1984; Morgan, 1985; Parasuraman et al., 1985).

Informational belief processing, in which consumers depend on external "expertise", is commonly used (Furse et al., 1984). To play a significant role in the quality perception process it is necessary that the information is understood and accepted. Problems can arise from the sender (e.g. incredibility), the receiver (e.g. uncertainty, intelligence) and the attribute information itself (e.g. complexity, ambiguity, availability, completeness).

It is obvious that in services inferential and informational belief processing are used to determine quality(attributes) scores. These attribute expectations are, because of the absence of search attributes in most service environments, experience and credence attributes.

Customer expectations can be defined as pre-trial beliefs about a product that serve as standards or reference points against which product performances are judged. Judging products on e.g. quality is possible before and after the purchase. The former is related to buying intentions, while the latter relates to (dis)satisfaction and Parasuraman et al.'s perceived quality gap. It has been questioned by Cardote, Woodruff and Jenkins (1987) whether focal brand expectations are used in judging performance after purchase. They state that in after purchase evaluations "experience-based norms" are used. These norms have two important characteristics: (1) these norms reflect whether the performance did meet needs and wants and (2) they are determined by the performance consumers believe to be possible, as indicated by the performance of known brands (see also Jacobs, 1987). Qualitative research by Zeithaml et al. (1991) shows that the experience based norms may encompass desired expectations and adequate expectations. The desired expectations can be defined as the level of service the customer hopes to receive. The adequate expectations as the level of service the customer will accept as adequate.

The difference between desired and adequate expectations is the tolerance zone. This zone of tolerance can fluctuate due to situational, individual and product typical factors and is attribute dependent.

Finally, in evaluating service quality, expectations are compared with perceived service delivery. According to Zeithaml et al. (1991) the difference between desired expectation level and the perceived delivery is the perceived service superiority while the difference between adequate expectations and perceived delivery is the perceived service adequacy. The discrepancy between predicted offering and perceived delivery would determine the satisfaction of the product.

It is evident that the assessment of service quality by customers is a complex task. People do not always have the capacity, the motivation and the ability to make elaborate inferences and will try to escape from this. Neutral information seems to be helpful because of its comprehensive and objective nature.

The role of neutral information

Table 1 shows that neutral non-personal information sources, Quality Marks (QM) and Consumer Reports (CR), are very suitable in judging products. A Quality Mark is a mark on the label of a product which guarantees an often unspecified minimal quality for one or more product characteristic controlled by an independent institution (Box, 1979). A Consumer Report is a special kind of market research by an independent organisation which is also responsible for the selection of the brands within a product class and which also determines the test procedure (Thorelli and Thorelli, 1977).

Neutral non-personal information is well suited for consumers in judgemental situations characterized by one or more of the following characteristics (Steenkamp, 1989; Willenborg, 1985; Wilkie, 1990 et al.):

- the product is not often bought;*
- the product characteristics are difficult to evaluate;*
- the customer has sufficient choice;*
- the product is not guaranteed by legal procedures;*
- the perceived interest or risk of the purchase is high.*

In fact, most of the services!

It may be concluded that neutral non-personal information can play an important role in the deduction of service quality. From the client's point of view, the service characteristics ambiguity and insecurity are due to the intangibility of a service. The heuristic processing of neutral information may reduce this (Van Laanen, 1990). Neutral non-personal product information requires less cognitive processing costs (Box, 1979) and the structure and standardisation of this kind of information can be helpful.

Neutral non-personal product information has also several advantages for the service provider. External and internal quality control is made possible as it now can be communicated what is to be expected from the service and its provider. The provider knows which attributes are being tested by the independent test organisation and are relevant for the client. Apart from this, a positive test evaluation will stimulate sales and justifies a higher price level.

Because of the fragmented and diverse character of the service sector, Quality Marks offer more perspective than Consumer Reports.

type of information	neutral			non-neutral		
	pers.	non-personal		non-personal		pers.
info. criteria	obs- er- vation	CR	QM	mass adver- sing	broch ures	word of mouth
completeness	-	+	?	-	-	-
factual	-	+	+	-	?	-
decision relevancy	+	+	?	+	?	+
structured	-	+	+	?	+	-
insightful	?	+	-	?	+	?
standardised	-	+	+	-	-	-
availability	+	-	+	+	+	+
market coverage	-	-	?	?	-	-
actual	+	?	+	+	+	-
emotional loading	+	-	-	+	+	+
+: is satisfied	CR: Consumer Report					
?: indistinctive	QM: Quality Mark					
-: is not satisfied						

Table 1. Information criteria scores for types of product information, according to Weser (1980) and others.

In order to come to an effective Quality Mark policy two related questions have to be answered:

- What are the requirements for a Quality Mark from the clients' point of view, in order to facilitate the quality evaluation of services?
- What are the demands for the service provider in order to be able to deliver the service at the required level?;

In order to answer these questions a distinction of quality dimensions has to be made. The quality dimensions differ substantially not only in ease of judgment by the customer (like search, experience and credence attributes), but also in controlability by service organizations and Quality Mark institution. Using an input-output continuum the manageability of quality

dimensions can be highlighted. Input factors are in this perspective dimensions which are rather easy to manage because they are more or less objective and customer independent. Output factors are dimensions which are more difficult to control. They are concerned with the interactive contact between provider and client and are therefore more difficult to manage. The quality dimensions given by Parasuraman, Zeithaml and Berry (1985) can be classified along the input- output axe (see Figure 1.)

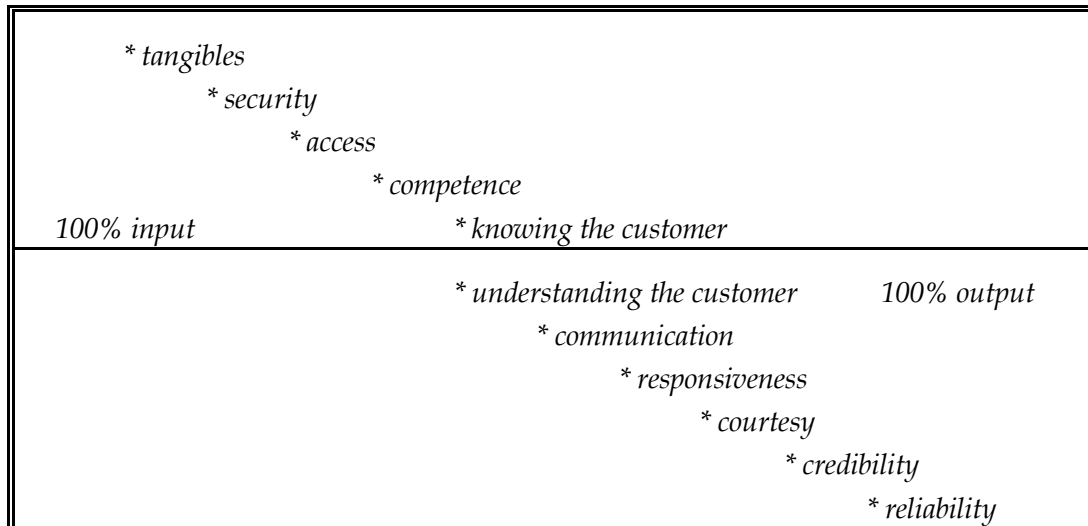


Figure 1. Quality factors along the input- output axe.

Research objective

Utilizing the input- and output quality continuum, it is investigated which quality factors are tested and therefore guaranteed by the independent providers (institutions) of Quality Marks and what quality factors are used by customers. Secondly it is assessed which factors are associated with two Quality Marks by customers. Also the actual usage of Quality Marks is examined. This procedure offers possibilities to evaluate the potential of Quality Marks for service quality management. Any differences in actual and perceived quality factors may lead to future changes in Quality Mark procedures or communication thereof.

Method

The assessment of objective, factual Quality Mark characteristics is made on the basis of procedural documents and from information of the Quality Mark provider. This factual information has been compared with information provided by a sample of N=200 consumers. The consumer study focuses on two different Quality Marks. One Quality Mark is only concerned with input factors (Benelux hotel star classification). The other, Michelin restaurant star classification, incorporates both input and output factors. The sample has been randomly

selected from the Dutch population. After a telephonic selection a mail questionnaire has been used to assess:

- *awareness, knowledge and expectations of the quality factors (input and/or output) involved for different service Quality Marks;*
- *the usage of Quality Marks in the decision and buying process.*

Results

** the Quality Mark characteristics study*

In order to be able to determine whether service Quality Marks are tested and controlled on the quality factors, the most important Quality Marks in services are selected across different business branches. Exploratory research showed that some of the eleven service quality factors were judged to be almost identical. "Credibility" and "reliability" are joined because differences were small. The item "understanding the customer" is combined with "responsiveness" while "knowing the customer" is united with "competence". So a total of eight quality factors are selected, four of them being input and four being output factors. The Quality Mark institutions are divided into independent institutions (I) and business branch organizations (B). In table 2. the input and output factors controlled for by Quality Marks are given for the branches: rental service; sports; hotels etc.

Insert table 2a.

Insert table 2b.

It is clear that most of the Quality Marks do not guarantee full service quality. Especially output factors are neglected in the selection and control processes.

In total, access is being taken into account for by 5 Quality Marks; competence by 21; security 18 and the fourth input factor "tangibles" by 23 Quality Marks. The output factors score respectively communication 6; courtesy 11, reliability and credibility 9 and responsiveness by 5 Quality Marks. The more objective input quality factors are most often taken into account for by the Quality Marks institutions. The quality factors with respect to the way service is delivered are less often covered.

** the customer study*

As already discussed, this study focuses on two different Quality Marks; the Benelux hotel and the Michelin restaurant star classification. Table 3 shows what information and information sources are used in the decision process of buying hotel and restaurant services. Interesting is that in buying hotel services, Quality Marks are the most frequently used indicators, followed by recommendation by others. In selecting restaurants, Quality Marks are of minor importance. This can be explained by the large experience customers have in (local) restaurants and the availability of extrinsic cues like external appearance and price lists. It is of importance that 68% of the customers claim that they use Quality Marks, among other information, in their decision processes in selecting appropriate hotels, restaurants and bars.

information (source)	hotel choice in %	restaurant choice in. %
Quality Mark stars	41	8
recommended by others	40	68
price list	38	33
own experience	29	78
external appearance	26	31
coincidence	22	24
advertisements	13	12
being arranged (e.g. work/ travelling organization)	8	-
other information (including 3 other Q.M.)	8	3

Table 3. Information usage in hotel and restaurant selection (N=156).

Quality Marks have a significant impact on customers in our selected area. Our study focuses on what they expect of Quality Marks and what is perceived to be controlled by the independent organizations and therefore is guaranteed by the Quality Mark. In table 4 expectations based upon hotel and restaurant star classifications are listed.

Especially hotel stars are ambiguous: both "only input factors" and "input and output factors" are expected by large proportions of the customers. Benelux hotel stars are only concerned with some input quality factors, as can be verified in table 2. People who think all quality factors are guaranteed at a given level may be disappointed in the Quality Marks but more importantly may be disappointed also in the service and its provider. The Michelin restaurant star classification seems to be better communicated.

expected quality factors	hotels in %	restaurants in %
only input factors	33	4
input and output factors	56	75
no clear expectation	11	21

Table 4. Expectations about controlled input and output factors of Quality Marks.

quality factors	Benelux hotel stars			Michelin restaurant stars		
	%	included	misperc	%	included	misperc
tangibles	78	yes	22%	67	yes	33%
security	68	in part	xxx	47	no	47%
responsiveness	55	no	55%	83	yes	17%
competence	50	yes	50%	93	yes	7%
access	46	yes	54%	36	no	36%
reliability	40	no	40%	41	yes	59%
courtesy	27	no	27%	45	yes	55%
communication	16	no	16%	19	yes	81%

Table 5. Quality factors attributed to hotel and restaurant stars Quality Marks.

Analysis of the customer expectations about the eight quality factors in both Quality Marks are given in table 5. In both left columns the percentage of customers that expected this quality factor for the two Quality Marks is given. The middle columns contain the actual quality factors included in the Quality Mark. The right columns show the misperceptions; the difference between actual and expected quality factors included. For both Quality Marks 3 out of 8 quality factors show a percentage of misperceptions above 50% which means that the majority has wrong expectations on these quality factors. These factors are not the least important ones as can be seen in table 6.

In table 6, the quality factors are given in order of importance as perceived by the customers.

order	quality dimension	input or output
1	responsiveness	output
2	competence	input
3	security	input
4	reliability	output
5	courtesy	output
6	tangibles	input
7	access	input
8	communication	output

Table 6. Expressed rank order importance of quality factors in hotels, restaurants and bars.

Although responsiveness (as a representative of the interaction process) is the most important quality dimension in the selected service business branch, it is not included in the Benelux hotel stars and most of the other service Quality Marks. Tangibles and courtesy are the service attributes which are most often tested but of minor importance to customers in this area.

When asking the respondents whether Quality Marks should guarantee input and/or output factors, 76% preferred both while 17% had no explicit opinion on this matter.

Discussion

In this paper Quality Marks as a tool for managing service quality perceptions is being studied. Quality Marks offer great possibilities in guiding and forming quality expectations.

The unique characteristics of services result in quality perception problems for the service provider as well as the customer. Inferential belief processing is perhaps the most often used method to form attribute perceptions but little research is available of this processing in the field of services. Besides this, controlling inferential perceptions is difficult because of individual relationships and associations. Informational beliefs circumvent this pitfall. Neutral non-personal product information is interesting in this perspective. From a theoretical point of view, Quality Marks provide suitable information on attribute levels. Research on the actual usage of Quality Marks in services we could not find. This study is an attempt to bridge this gap in service literature. The results of our exploratory survey indicate that Quality Marks may be used in a variety of business branches. There is however a lot of misperception and mis-

communication. Especially Quality Marks which guarantee all relevant input and output quality factors are suitable in managing service quality.

Numerous implications for researchers interested in service Quality Marks arise from the findings reported in this article. Some of the more intriguing research questions are:

- How can Quality Mark test criteria, especially the more intangible output factors, be quantified to make control feasible and payable? It is obvious that input factors are far more easy to control and to test. This is perhaps the reason why most Quality Marks institutions concentrate on input factors. However, e.g. panel information or mystery shopper research information would help to give an impression of the output factors. These impressions can be compared with those from other service organizations to derive quality norms.

- What are the attribute expectation levels consumers hope or want to receive? Although the amount of Quality Marks will have to be reduced, more specific quality level information in Quality Marks seems to be advisable.

This research implicates that the independent Quality Mark institutions must carefully consider whether their Quality Mark must be (perceived to be) an *overall* (input and output) or a *partial* (input or output) "guarantee" stimulus. The gap between what is guaranteed and what is perceived to be guaranteed must be closed. Either by including the missing quality factors or by strictly communicating what is excluded. The importance attached to Quality Marks by customers in forming quality judgments justify these improvements to be made.

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Summary

Managing quality perceptions is of vital interest in services. Quality Marks, as informational beliefs, are a potential tool in this process for service organizations as well as customers. The study focuses on the usage of Quality Marks by customers and on a comparison of actual quality factors controlled by Quality Mark institutions and the quality factors customers expect to be included in the Quality Marks. The study of a sample of N=159 customers included two different Quality Marks: the Benelux hotel and the Michelin star classification. The first is an overall (input and output) Quality Mark and the second a partial (input) Quality Mark. From the study we may conclude that Quality Marks are often used in quality decision processes and that the service quality attribute expectations associated with the Quality Marks are not fully guaranteed. For three out of the distinguished eight quality factors, more than half of the sample of customers has wrong expectations for both Quality Marks concerning the content of the Quality Mark. This may lead to potential service quality problems as these wrong customer expectations are not being met. Managing service quality perceptions requires that these problems must be recognized and solved by the service Quality Mark institutions by either adapting the Quality Mark to the expected quality factors or by communicating the content of the Quality Mark and the quality factors accounted for.

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BUSINESS BRANCHE	QUALITY MARKS	Input factors				Output factors			
		tangibles	security	access	compe- tence	commu- nication	respon- siveness	courte- sy	reliabi- lity ± credibi- lity
WHOLESALE AND RETAIL	"Top- en Keurslager" (butchery)	B	B	B	B		B	B	
	"echte bakker" (bakery)	B	B		B		B	B	
HOTELS, RESTAU- RANTS, BARS	"Benelux-hotel classification organization "Horeca"	I		I	I				
	"ANWB hotel acknowledgement"	I	I	I	I			I	
	"ANWB restaurant classification"	I			I			I	
	"ANWB restaurant acknowledgement"	I	I	I	I	I		I	
	"Michelin (restaurants)"	I			I	I	I	I	I
	"KNAC (automobile)"	I			I	I	I	I	I
	"Alliance Gastronomique Neerlandaise (restaurants)"	B	B	B	B			B	B
	"Lekker'90 (restaurants)"	I			I		I	I	I
	"Neerlands Dis (restaurants)"	I			I	I		I	
"Tourist Menu (restaurants)"		I		I					
REPAIR AND SER- VICE	"Bovag (car repair)"	B	B		B				B
	"ANWB acknowledgement"	I	I		I				

Table 2a: Input- and Output quality factors controlled by Quality Marks in service branches.

Input factors

Output factors

BUSINESS BRANCHE	QUALITY MARKS	tangibles	security	access	compe- tence	commu- nication	respon- siveness	courte- sy	reliabi- lity ± credibi- lity
PROFESSIONAL SERVICE AND RENTAL SERVICE	"ANWB acknowledgement (bike rental)" "Bovag (car rental)"	I B	I B		I B				B
CULTURE, SPORTS AND RECREATION	"ANWB classification campings" "ANWB acknowledgement campings" "ANWB classification bungalows" "ANWB acknowledgement group accommodations" "ANWB acknowledgement yacht rental" "ANWB acknowledgement hippic sport"	I I I I I I	I I I I I I		I I I	I		I	I
OTHER SERVICES	"ANWB acknowledgement driving test" "BOVAG driving test"	I B	I B		I B	B			I B

Table 2b. Input- and Output quality factors controlled by Quality Marks in service branches.

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Beste Paul en Jos,

Bijgevoegd ons verhaal voor de bundel Quality Management in Services II.

Jullie opmerkingen waren zeer zinvol en we hebben ze zo goed mogelijk proberen te verwerken in het paper. Naast deze aanpassingen is ook de titel veranderd.

Veel succes ermee!

groeten, Henk en Theo