

Service Quality: 'Performance Only Measure' an Improvement over 'Servqual'

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ABSTRACT

Service sector, also known as the tertiary sector has assumed greater importance in overall economic development of a country like India and contributes more than 50% of the GDP of country. Entrepreneurs that want to be competitive pay more attention to deliver better service quality so that they can compete worldwide, and they make it a part of a continuous service quality monitoring process for providing the highest service quality. Service quality literature is packed with many models to measures service quality with two prominent models forming genesis of service quality assessments are GAP/SERVQUAL Model developed and subsequently modified by Parasuraman, Zeithaml, & Berry (1985; 1988; 1991; 1994) and performance only scale called SERVPERF developed by Cronin and Taylor (1992). The goal of this research is to present two strategies for evaluating service quality in a clear, succinct, and thoughtful manner, as well as a superior strategy to assessing service quality that has been advocated by multiple researchers.

Key Words: Service Quality, SERVQUAL, SERVPERF, model.

INTRODUCTION

The term "service quality" is made from of the phrases "service" and "quality." A service is defined as the act of doing something for another person or object. A service is something that is done on behalf of the consumer, and often with their participation. A service is rendered or provided. Intangibility, inseparability, variety (heterogeneity), and perishability are the distinguishing properties of a service that distinguish it from physical things. Quality can be defined as having no flaws and doing things correctly the first time. Different scholars have defined service quality differently, and extracts of service quality in composite terms are explained as it refers to superiority of the service and incorporates assessments of the services obtained by the customer as well as the way in which service is offered. Service quality is seen as a critical instrument for positioning and improving overall business success through operational efficiency.

'Concentrating on satisfying the needs and requirements of the client, and how well the service supplied fits customers' expectations,' is how service quality is defined.

There are two dominant viewpoints, known as the Scandinavian/Nordic and American schools, respectively. The Scandinavian school employs overall category criteria to define service quality, whereas the American school uses descriptive terminology (Brady & Cronin, 2001, p, 44). Gronroos is a leading contributor to the Nordic school service quality model and The American School Model is based on the gap model developed by Parasuraman et al. (PZB). The American school, commonly known as the disconfirmation model, was founded in 1985 and has since been updated in 1988, 1991, and 1994.

The technical, functional, and corporate image of the company are all factors in service quality. (Gronroos, 1984). Service quality is defined as a disparity between expectations and perceptions of the service, or as an attitude-based perspective. Parasuraman et al. (1988) proposed the first viewpoint, which views service quality as a comparison between customer expectations and perceptions of service quality. They came up with a model based on the gap between consumer expectations and perceptions of service quality. Cronin & Taylor (1992) suggest that service quality should be defined as a customer's attitude toward a service, and they endorse the performance-based approach to measuring service quality. This viewpoint supports the measuring of service quality based solely on the perception of service quality (performance only). Rust & Oliver (1994) agree that perceived service quality is similar in meaning to attitude, which encompasses a product or service's entire judgment.

Parasuraman, Zeithaml and Berry's model (GAP Model & SERVQUAL Scale):

With their SERVQUAL model, Parasuraman et al. produced groundbreaking work and made a significant contribution to the theory of service quality in the mid-1980s (Gaster & Squires, 2003, p. 81). They were major contributors to the American School of Service Quality Model, known around the world as the disconfirmation model.

The most essential findings of Parasuraman et al. (1985, p. 44) exploratory study were the identification of a collection of gaps that serve as key roadblocks in striving to give a high-quality service to consumers. These are the discrepancies between what is expected and what is really done, both by the consumer and by the organization, as well as within the organization itself (Gaster & Squires, 2003, p. 81). These gaps are illustrated in Figure 3.2, and are explained below the figure.

Service Quality: 'Performance Only Measure' an Improvement over 'Servqual'

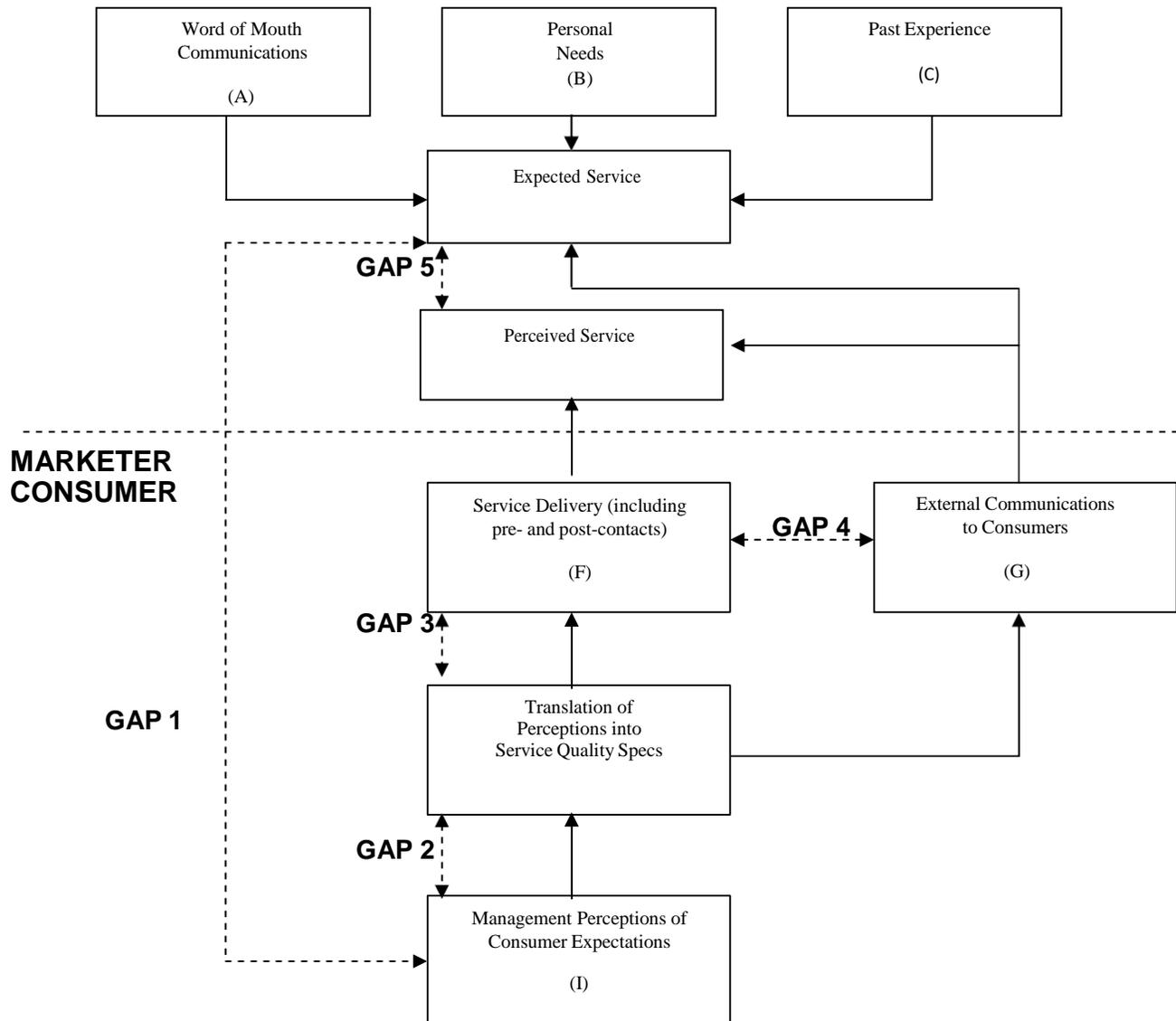


Figure: Service quality model – identification of gaps

Source: Parasuraman *et al.* (1985:44)

Gap-Analysis Model

Five gaps as shown in the above figure are listed below (Kotler & Armstrong, 2010):

Gap between Consumer Expectation-Management Perception (Gap 1): Consumer expectations and management's perceptions of those expectations, indicates that management does not know what consumers expect.

Gap between Management Perception-Service Quality Specification (Gap 2): Deviations of management's perceptions of consumer's expectations and service quality actual specifications reflects poor service-quality standards.

Gap between Service quality Specifications and Service Delivery (Gap 3): Service performance can be judged from the deviations of service quality specifications and its delivery to the customer.

Gap between Service Delivery and External Communications (Gap 4): To judge whether promises match the delivery inference can be gauged from the gap between service delivery and the communications to consumers about service delivery.

Gap between Expected Service and Perceived Service (Gap 5): This is the gap between customers expected service and perceived service and the magnitude and direction of the four gaps related to the marketer's delivery of service quality determine this gap.

Knowledge of customer gap is essential for enhancing overall quality of service company of a company, but it cannot be removed without addressing the other gaps. Internal gaps i.e gap from 1-4, also known as provider gaps since they occur within the organization that offers the service (Wilson et al., 2008), are less explored than the consumer gap. Gaps (1-4) i.e internal gaps determine the magnitude and direction of gap 5. These internal gaps must be controlled to improve service quality (Kasper, Helsdingen & Gabbott, 2006). Parasuraman et al. (1985, p. 46) cited that consumer gap can be considered as a function of first four gaps. To measure the difference between expected service and perceived service i.e consumer gap (Gap – 5), service quality model SERVQUAL has been developed (Foster, 2004; Prayag, 2007). In addition to identifying the service quality five gaps, Parasuraman *et al.* (1985, p. 46-47) also highlighted that consumer use similar criteria in evaluating service quality regardless the type of service being offered. These criteria seem to fall into 10 key categories which are labeled "service quality determinants and are listed in below table: -

Table: Determinants of service quality

Determinants	Purpose
Reliability	It involves consistency of performance, dependability, performing the service right the first time. It also means that firm honors its promise. Specifically, it involves:- <ul style="list-style-type: none"> - Accuracy in billing. - Keeping records correctly. - Performing service at the designated time.
Responsiveness	It involves willingness or readiness of employees to provide service alongwith timeliness of services:- <ul style="list-style-type: none"> - Mailing a transaction slip immediately. - Calling the customer back quickly. - Giving prompt service.
Competence	It involves possession of required skills and knowledge to perform the service i.e <ul style="list-style-type: none"> - Knowledge and skill of the contact personnel.

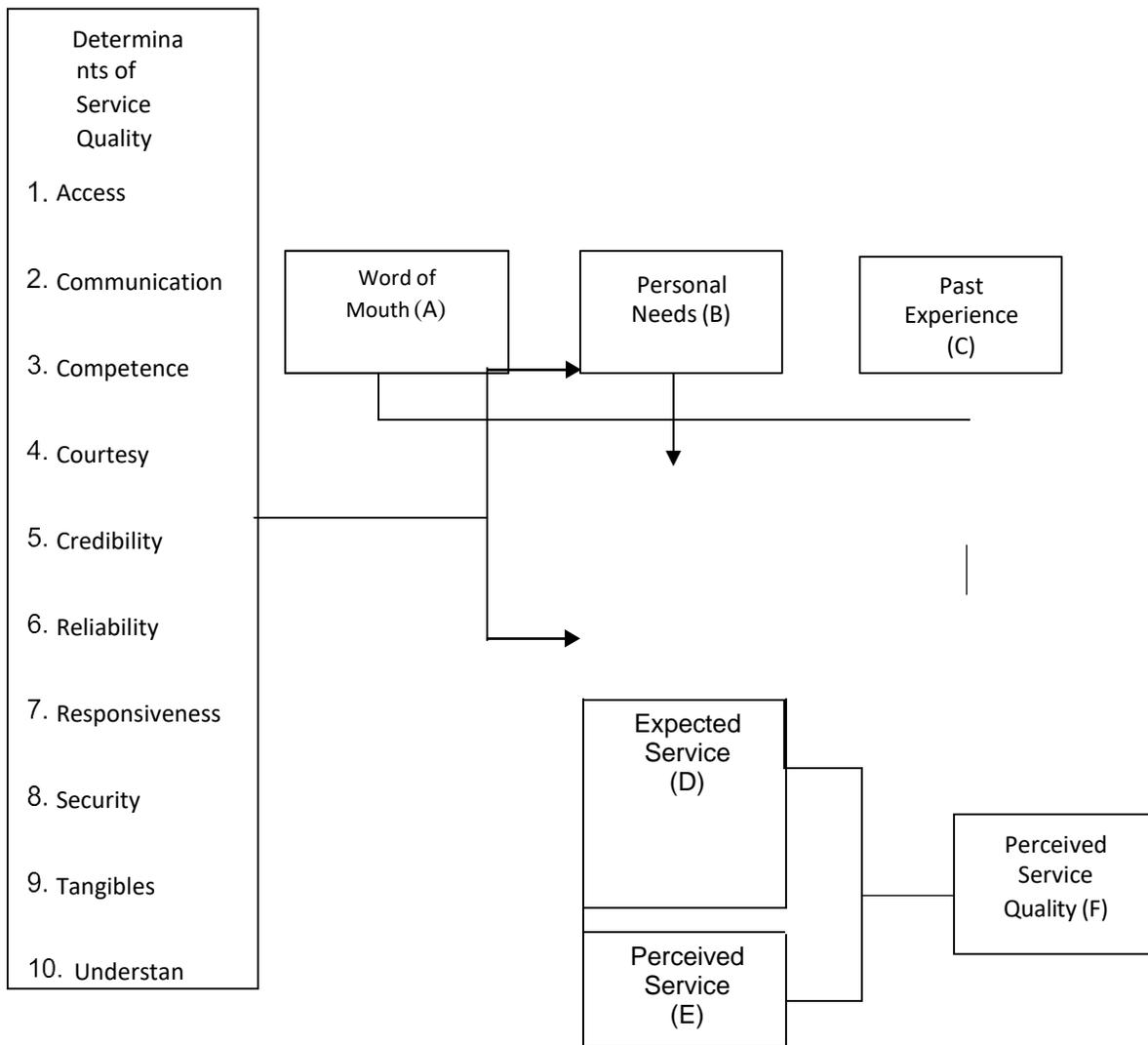
service quality: „performance only measure“ an improvement over „servqual“

	<ul style="list-style-type: none"> - Knowledge and skill of operational support personnel. - Research capability of the organization.
Access	<p>It involves approachability and ease of contact i.e</p> <ul style="list-style-type: none"> - The service is easily accessible by telephone. - Waiting time to receive the service is extensive. - Convenient hours of operation. - Convenient location of service.
Courtesy	<p>It involves politeness, respect, consideration and friendliness of contact personnel i.e</p> <ul style="list-style-type: none"> - Consideration for consumer's property. - Clean and neat appearance of public contact personnel.
Communication	<p>It involves keeping customer informed in language they can understand and listening to them and further encompasses :</p> <ul style="list-style-type: none"> - Explaining the service itself. - Explaining how much the service will cost. - Explaining the trade-offs between service and cost. - Assuring the customer that a problem will be handled.
Credibility	<p>It involves trustworthiness, believability, honesty and having the best interest of the customer at heart. Contributors to the credibility are :</p> <ul style="list-style-type: none"> - Company name. - Company reputation. - Personal characteristics of the contact personnel. - The degree of hard sell involved in interaction with the customer.
Security	<p>It is the freedom from danger, risk or doubt and involves:</p> <ul style="list-style-type: none"> - Physical safety. - Financial security. - Confidentiality.
Understanding/Knowing Customers	<p>It involves making effort to understand customer needs with</p> <ul style="list-style-type: none"> - learning the customer's specific requirements; - providing individualized attention; - recognizing the regular customer.
Tangibles	<p>It includes physical evidence of service such as</p> <ul style="list-style-type: none"> - physical facilities; - appearance of personnel; - tools or equipments used to provide the service; - physical representation of the service, such as a plastic credit card or a bank statement; - other customers in the service facility.

Source: Parasuraman *et al.* (1985, p.47)

According to this model, service quality is a function of perception and expectations, as consumer expectations (before to service delivery) may differ from their relative importance in comparison to the consumer perception of the supplied service. This is depicted by figure shown below:

Figure: Determinants of perceived service quality



Source: Parasuraman *et al.* (1985, p.48)

The original SERVQUAL instrument, developed by Parasuraman et al. (1988), included 97 items and ten dimensions; however, it was modified and reduced to 22 items measuring five dimensions. Each item was divided into two statements: one to assess expectations about firms in general within the service category under consideration, and the other to assess perceptions about the specific firm under consideration. These five dimensions are cited below: -

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Dimension	Definition of Dimension	No. of items
Tangibility	Physical facilities, equipment, and appearance of personnel.	4
Reliability	Ability to perform the promised service dependability and accurately.	5
Responsiveness	Willingness to help customers and provide prompt service.	4
Assurance	Knowledge and courtesy of employees and their ability to inspire trust and confidence.	4
Empathy	Caring, individualized attention the firm provides its customers.	5

Source: Parasuraman *et al.* (1988, p.23)

Parasuraman et al. (1991) improved the SERQUAL by substituting negatively phrased items with favorably worded items under the responsiveness and empathy dimensions. Should phrasing in expectation statements has been replaced with would terminology, as the altered wording focuses on what customers would expect from organizations that provide outstanding service.

Parasuraman et al. (1994, 210) reduced the total number of items to 21 by eliminating one SERVQUAL item (“maintaining error free records”) from reliability and reassigning two others (“keeping customers informed about when services will be performed” from responsiveness to reliability and “convenient business hours” from empathy to tangibles).

SERVQUAL scale with 21 items under service quality dimensions are as under:-

Table

SERVQUAL SCALE WITH 21 ITEMS UNDER SERVICE QUALITY DIMENSIONS

Tangibles	<ol style="list-style-type: none"> 1. Modern Equipment. 2. Visually appealing facilities. 3. Employees having neat and professional appearance. 4. Visually appealing materials associated with service. 5. Convenient business hours.
Reliability	<ol style="list-style-type: none"> 6. Providing services as promised. 7. Dependability on handling customer’s service problems. 8. Performing services correctly the first time. 9. Providing services at the promised time. 10. Keeping customer informed about when service will be performed.
Responsiveness	<ol style="list-style-type: none"> 11. Prompt service to customers. 12. Willingness to help customers. 13. Readiness to respond customers’ request.
Assurance	<ol style="list-style-type: none"> 14. Employees who instill confidence in the customers. 15. Making customer feel safe in their transactions. 16. Employees who are consistently courteous.

	17. Employees who have knowledge to answer customer question.
Empathy	18. Giving customers individual attention. 19. Employees who deal with customers in a caring fashion. 20. Having the customers' best interest at heart. 21. Employees who understand the need of their customers.

Source: Parasuraman *et al.* (1994, p. 207-210)

SERVQUAL scale satisfies both construct and convergent validity i.e good considered evaluative criteria for a scale's validity.

Applications of SERVQUAL: The purpose of SERVQUAL is to serve as a diagnostic tool for identifying broad areas of a company's service quality weaknesses and strengths. Parasuraman et al. (1985) outlined various applications of SERVQUAL scale which are cited below: -

- SERVQUAL is a short, reliable, and valid multiple-item scale that merchants can use to better understand customer service expectations and perceptions in order to improve service. This instrument has been designed to be used across a wide range of services.
- This scale is most useful when combined with other methods of service quality measurement and used on a regular basis to track service quality trends.
- With the use of SERQUAL, firm's service quality can be assessed across five dimensions by taking average of respective items score in each dimension. This method can also provide overall service quality by averaging each dimension average.
- SERVQUAL is also used to measure the relative value of five dimensions in affecting customer perceptions of overall quality.
- SERVQUAL is a tool that may be used to divide customers into several perceived-quality divisions (for example, high, medium, and low).
- SERVQUAL can also be used by multi-unit retail organizations to track the level of service provided by each store in the chain.
- A store can also utilize SERVQUAL to compare their service performance to that of their competitors.

Cronin and Taylor's model (SERVPERF Scale):

Cronin & Taylor (1992) concluded that current conceptualization and operationalization of service quality (SERVQUAL) as insufficient. According to the author, perceived service quality is best understood as a client's attitude toward the existing performance of a service provided by a given service provider. Cronin and Taylor based their study on the use of an alternative attitude model, namely the "adequacy importance" form, as the most effective model for predicting behavioural intention or actual behavior. Experimental findings also revealed that performance perception may be used as a measure of service quality (Mazis, Ahtola, & Klippel 1975). Cronin & Taylor (1992, 58) concluded that:

- Perceived service quality is best conceptualized as an attitude.

service quality: „performance only measure“ an improvement over „servqual“

- The adequacy model is the most successful "attitude-based" operationalization of service quality.
- Current performance accurately reflects customers' perceptions of a certain service provider's service quality.

They argue that performance, rather than the difference between performance and expectations, is a stronger predictor of service quality, and they established SERVPERF, a more compact performance scale. The 'performance only' scale is a derivation of the SERVQUAL that focuses solely on perceived performance and contains 22 items. A higher degree of perceived performance corresponds to better service quality.

On comparison of SERVPERF with SERVQUAL, weighted SERVQUAL, and weighted SERVPERF, the researchers discovered that performance-based measures provide a more construct-valid explication of service quality due to their content validity and evidence for discriminant validity.

Superiority of SERVPERF over SERVQUAL:

Given Cronin & Taylor's (1992, 1994) work, a number of authors agreed that performance-based measures are preferable to gap assessments (Badri, Adbulla, & Al-Madani, 2005; Brady, Cronin, & Brand, 2002; Davis & Heineke, 1998; Dean, 2004; Hamer, 2006; Karatepe, Yavas, Babakus, 2005).

The Nordic school's Gronroos (2007) highlighted the concerns of assessing service quality expectations against perception of service quality as follows: It may be difficult to gauge customer expectations prior to the service because the customer may be thinking of experiences rather than expectations. Furthermore, assessing expectations occurs frequently throughout or after the service process, which can be distorted by the customer's experience, and measuring expectations may occur twice if customers compare their experience after the service to their prior experience before the service. This posits its effects on the expectation on twice.

Palmer (2008) enumerated the drawbacks of employing the gap model as follows: Expectations are a component of the customer's experience with the service and hence cannot be used as a standard. Criticism of the finding the gap between a customer's expectations and their perception of the actual service has been done because it is difficult for customers to learn about a product or service before using it, and customers are unlikely to compare their service expectations to their actual perception of the service. Customer's expectations are largely influenced by the experience gained by the customers post utilization of the service their employing a performance only measure may be a suitable choice when compared with gap model. There is also divergent set of opinion as given by researchers about enquiring customer's experience before using the service or after using the service.

Jain & Gupta (2004) found in a study that “SERVPERF model as more convergent and discriminant valid explanation of service quality”. However, when it comes to pinpointing areas for managerial intervention in the event of service quality inadequacies, the SERVQUAL scale

surpasses the SERVPERF scale. In comparison to SERVQUAL, SERVPERF should be favoured in assessing overall service quality due to its psychometric soundness and greater instrument parsimoniousness, as SERVPERF reduces the number of items to be measured by up to 50%. Preference to SERVPERF scale should be given when one is interested in service quality comparisons across service industries. Managers should prefer SERVQUAL scale considering its greater diagnostic power where their objectives are to identify areas relating to service quality inadequacies needing immediate manager's interventions.

Zeithaml, one of the team members who propounded SERVQUAL also emphasized superiority of performance only measure of service quality. In their study Boulding, Kalra, Staelin, & Zeithaml, (1993) highlighted that existing gap model between expectation and perception does not differentiate among type of expectations. They stated that their result are incompatible with one-dimensional view of expectations and gap formulation of service quality instead service quality is directly influenced by perception only. This admittance cogently lends a testimony to the superiority of the SERVPERF scale.

CONCLUSION:

There are several scales for measuring service quality, but the SERVQUAL and SERVPERF scales are the most extensively used in the literature. Despite several studies evaluating the superiority of both scales, the optimal scale to measure service quality remains a point of contention. The SERVPERF scale is a more convergent and discriminant valid description of the service construct in general. Literature review of reputed researcher revealed the superiority of SERVPERF over SERVQUAL scale to measure service quality i.e superiority of performance only measure over expectation and performance measure. This suggests that managers should focus more on customer perceptions of performance rather than the gap between perceptions and prior expectations. SERVPERF is preferred for measuring a firm's overall service quality or comparing service industries, whereas SERVQUAL is preferred when identifying areas of service quality deficiencies due to managerial shortcomings.

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service quality: „performance only measure“ an improvement over „servqual“

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