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## RELATIVE IMPORTANCE OF SERVICE QUALITY DIMENSIONS: A MULTISECTORAL STUDY

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*Three forces dominate the prevailing marketing environment in the service sector: increasing competition from private players, changing and improving technologies, and continuous shifts in the regulatory environment, which has led to the growing customer sophistication. Customers have become more and more aware of their requirements and demand higher standards of services. Their perceptions and expectations are continually evolving, making it difficult for the service providers to measure and manage services effectively. The key lies in improving the service selectively, paying attention to more critical service attributes/dimensions as a part of customer service management. It is an imperative to understand how sensitive the customers are to various service attributes or dimensions. Allocating resources in the fashion that is consistent with customer priorities can enhance the effectiveness in the service operations. In addition, customer service attribute priorities need to be fully explored in service specific contexts. This paper is an attempt to explore relative importance of service quality dimensions across a 'select' service context. The results suggest that (1) all the service quality dimensions are equally important as no proper order of their importance could be established, (2) the service performance in relation to the 'expectations' is poor in respect of nearly all the dimensions and in all the select services, and (3) the nature of service does not seem to have a role in establishing an order of importance of the dimensions.*

### RATIONALE OF THE STUDY

**T**wo major factors that shape the practice of marketing in service organisations is a) the environment and b) how a particular business views and organises its marketing efforts. Both factors are equally important in creating and constraining managers' opportunities for effective action. For example, in the financial services industry the three major external forces that affect competition are: increasing internationalisation of all financial products and players, the change in the regulatory environment (which is removing many barriers to open competition and to the types of companies allowed to compete), and the accelerating impact and pervasiveness of information technology.

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Which create long-lasting change. In such a scenario the companies that react more swiftly and that anticipate or even create the change that offer the opportunity are likely to be the winners. There are three major tasks that a market oriented manager in a financial service organisation must accomplish in order to achieve success. The first of these is to identify the key strategic success factors operating in the specific industry and to build the company's unique strategy around these factors. Secondly, the manager must be able to establish an organisation and system capable of creating and implementing plans built around the company's strategy. Thirdly, the manager must be able to free market its departmental base and infuse and defuse it throughout the organisation. It must however be kept in mind that the second and third tasks can only be performed after the first one is accomplished.

A manager may therefore find it particularly difficult to identify a newer success factor given that most of the competitors offer and deliver equivalent economic and perceived service value. (Economic value is the determinant of the Financial part and perceived value is the combination of the quantitative economic value that the service provides along with qualitative social and psychological value added by the particular service company) Solution of the problem lies in moving along any of the three fronts namely: improving the economics, improving the service, or operating in a specific segment of the market where a firm has competitive advantage in terms of performance (Czepiel and Lesh, 1991).

Service marketers have experienced it for past few years that competition can be well managed by differentiating through quality, and of course there are exceptions where quality has traditionally been an internal affair, e.g., health care. Importance of service lies in customer service management. Customer service is viewed as a part of marketing mix in services marketing. It is also viewed as logistic function of being subsumed within the customer service activity (Londe et al., 1988); and as timeliness and reliability of delivering services to customers in accordance with their expectations (Londe Zinser, 1976).

Because of the inseparability and intangibility features of services, customer service in service businesses is usually more important than in manufacturing companies. In recent years thrust on efficient customer service has increased manifold in the services sector because of increased competition from private players, improved technologies,

and growing customer sophistication. For example, in the insurance sector, the private players (Prudential & Standard Life of the UK, Sun Life of Canada and AIG, Met Life and New York Life of the US) are making strides in raising awareness levels, introducing innovative products and increasing the penetration of the market. Some insurers, such as ICICI PruLife, have fulfilled their mission to be a scale player in the mass market by introducing a range of thirteen products to meet the need of each customer in the effort to serve them better. Many others have taken a more focused approach, introducing select products that they believe hold potential and fill market gaps (Sharma, 2002). And as technology has come to its aid, the reach and the ability to service each customer seamlessly has increased. Multiple touch points have emerged - contact centres, email, facsimile, websites, and of course snail-mail - which enable the customer to get in touch with insurance companies quickly, easily and directly. As a result of which response time has come down dramatically and information availability has become immediate. Thus, in the context of increasing access to information and tougher competition, the customer will be more demanding for service. Technology will enable him to make comparisons quickly and accurately. High quality customer service will have to mean more than a customer service department and customer care will have to be a state of mind and be accepted by all levels of management and staff.

In the banking sector, there is increased financial sophistication of both consumer and business markets and the increased availability of services and products from new competitors, such as insurance companies or the financial subsidiaries of manufacturing companies. To customers, trying to make a choice among these suppliers would seem to require a trade-off between relationships and economies, trust and products, or service and efficiency. In addition, improved technologies are resulting in customer service breakthroughs that significantly alter customer expectations. They increase the speed of processes such as solving of customer problems, handling of customer complaints, service delivery, and handling of applications, etc. (Zeithaml and Bitner, 1996).

Other services have also witnessed the same developments, e.g., in the fast-food sector, there is stiff competition from private players. With the entry of McDonald - the world's best quick service restaurant,

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Pizza Hut, Sub Way, etc., customer expectations from Indian counterparts particularly Nirulas have increased. McDonald is constantly promoting its corporate mission of People Promise and People Vision. The People Promise is “how we remind our people what they can expect and how high our goal is: to be the best employer in each community around the world”. And the People Vision is “we’re not just a hamburger Co. serving people, we’re a Co. serving hamburger” (www.McDonald.com). It has the customer service department and web site to provide customer convenience, which most fast- foods in India don’t have.

Thus, competition and technological up gradation, etc. have resulted in pressure on customer service. Consumers are becoming more sophisticated in their requirements and are increasingly demanding higher standards of service. To them service means customer satisfaction, customer delight, service delivery, customer relationship, etc. Therefore interest in managing the services through customer service is considerably high. It requires setting customer service objectives in terms of relative importance of customer service elements. In other words, while considering levels of performance in setting customer service objectives, service companies need to take into account the importance of service quality variables such as reliability, responsiveness, assurance, empathy, and tangibles (Payne, 1995). Customer service initiatives are, thus, closely related to quality improvement initiatives. Christopher and Ballantyne (1991), reported that it is the relationship marketing that brings quality, customer service, and marketing together. With this, the attainment of quality has become pivotal concern among the marketers. Brown and Swartz (1989) reported that the consistent delivery of superior service is the strategy that is increasingly being offered as a key to service providers to position themselves more effectively in the market place.

Considering the paramount importance of quality improvement and management in services, the present study has been undertaken with the objective of contributing a measure of clarity to the research on the issue of relative importance of different dimensions of service quality in the service businesses. This would have implications for customer service and resource management.

## **BACKGROUND**

Service quality has been reported as having apparent relationship to costs (Crosby, 1979), profitability (Buzzell and Gale, 1987; Rust and Zahorik, 1993; Zahorik and Rust, 1992), customer satisfaction (Boltan and Drew, 1991; Boulding et al, 1993), customer retention (Reichheld and Sasser, 1990), behavioural intention, and positive word-of-mouth. Quality is the most important purchase decision factor influencing the customer's buying decisions. Also, it has strategic benefits of contributing to market-share and return on investment (Anderson and Zeithaml, 1984; Philips, Chang and Buzzell, 1983) as well as in lowering manufacturing costs and improving productivity (Garvin, 1983).

Service quality by its very nature is an elusive, indistinct and abstract concept. Consumers do not easily articulate their requirements, also there are difficulties in delimiting and measuring the concept. As a result only a handful of researchers have operationalised the concept (Parasuraman, Zeithaml and Berry, 1985, 1988; Brown and Swartz, 1989; Carman, 1990; Boltan and Drew, 1991; Cronin and Taylor, 1992; Babukus and Boller, 1992; Teas, 1993, 1994).

## **SERVICE QUALITY MEASUREMENT**

There are two perspectives of quality measurement: internal and external. According to internal perspective, it is defined as zero defect—doing it right the first time, or conformance to requirements. The external perspective understands this aspect in terms of customer perception, customer expectation, customer satisfaction, customer attitude, and customer delight. External perspective is becoming important in the light of increasing consumer awareness, changing consumer tastes, and growing consumer expectations. Among the definitions of service quality (SQ) that measure the external perspective, the one given by Parasuraman, Zeithaml, and Berry (PZB) (1985) seems particularly useful. It has been widely adopted by researchers examining the service quality issues. They define service quality as the degree and direction of discrepancy between consumers' perceptions and expectations in terms of different but relatively important dimensions of the service quality, which can affect their future behaviour. Its measurement has

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been described, as it exists along a continuum ranging from ideal quality to totally unacceptable quality with some point along the continuum representing satisfactory quality.

The position of a customer perception of service quality on the continuum depends on the nature of discrepancy between the expected service and the service perceived by the consumer. When the expected service is more than the actual service, service quality is less than satisfactory. It will move towards totally unacceptable quality as the negative discrepancy between expected and perceived service increases. When expected service is less than perceived service, perceived service quality is more than satisfactory and will tend towards ideal quality with increased positive discrepancy between expected and perceived service. In the situation, when expected service is equal to perceived service, service quality is satisfactory. Service quality (SQ) is thus operationalised as performance (P) – minus – expectation (E) (computed disconfirmation) to provide a technology to service providers for assessing and managing their service quality levels by working on two important parameters of customer perception (P) and expectations (E). According to this perspective, the way to maximise the quality is to maximise the difference between these measures, 'P' and 'E' i.e. to exceed the customer expectations. Customer satisfaction (CS) literature applies the same 'P-E' measurement technology and refers to it as the 'disconfirmation' paradigm, though, the constructs CS and SQ are conceptually different.

Over the time, other researchers and practitioners have developed and recommended the use of measured disconfirmation – where customers are asked to mentally estimate 'performance' against 'expectations'. Some others believe that 'perception alone' measure is the better predictor of customer evaluations and factors of interest.

Some of the important observations in the latest researches are: first, both computed and measured disconfirmation are reliable and yield the same results, therefore, it is unnecessary in any case to separately capture expectations that result in lengthy surveys. But the selection of measures, in any case, should be guided by the research objectives (Pratibha, David, and Dayle, 2000), Second, the different measurement scales including disconfirmation scale, service quality scale or customer satisfaction scale if used singly or together, get more

or less the same result (Grapentine, 1998). Thus, in view of the above observations, in the present study, 'Performance' alone measure is employed.

In CS and SQ literature, customer perceptions have been defined uniformly as beliefs about experienced service but the term 'expectations' has been defined differently. There are several definitional frameworks for consumer expectations that exist in CS literature, which have resulted in the proliferation of numerous expectation concepts Viz 'predictive' expectations (Oliver, 1980); 'ideal' (Tse and Wilton, 1988); 'equitable' (Tse and Wilton, 1988); 'deserved' (Miller, 1977; Liechty and Churchill, 1979); 'experienced-based norm' (Woodruff, Cadotte and Jenkins, 1982); 'desired' (Bolting and Woodruff 1988); 'minimum tolerable' (Miller, 1977). These concepts are simply alternative labels for the same concept and play complementary or competing roles in marketing theory.

'Predictive expectations' are the primary 'expectations' concept. The other concepts are its extensions and are used differently as per the objective of the research. In the SQ literature, 'predictive' and 'desired' expectations are the most commonly used concepts and are labelled as 'would' and 'should' respectively. The present study has incorporated the same based on service quality literature Zeithaml and Bitner (1996); Teas et al, (1997); Parasuraman, Zeithaml and Berry (PZB), (1993), (1994).

According to Zeithaml and Bitner (1996), customers hold two types of expectations: 'desired', defined as the 'wished for' level of performance, which is a blend of what the customer believes 'can be' and 'should be' and, the lower level expectation termed 'adequate' i.e. the level of service the customer will accept in the light of certain controllable and uncontrollable resource constraints. This also indicates that 'adequate' service level is always lower than the 'desired' service level because desired service is less subject to change as it is shaped by more enduring factors like personal needs and service philosophies. The extent to which customers recognise and are willing to accept this variation is called 'zone of tolerance' (ZOT).

According to Teas et al (1997), in the definition of, 'desired service', the term 'can be' may mean what is feasible for a company to provide, or it may refer to some evaluations of what accompany can provide

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based on past experiences or an ideal level of performance. The term 'should be' may mean equitable performance based on product cost, or a forecast of future performance based on past performance. In the same way, 'adequate service' may be a low service level at which customers switch brands or grudgingly accept it hoping it will improve. The two actions can occur at two different levels of service.

PZB (1993) developed a conceptual model of 'zone of tolerance' (ZOT), defining it as the area between a customer's 'adequate' (would) and 'desired' (should) service expectations, revealing that customers assess service performance against two standards: what they desire and what they feel acceptable and that, a zone of tolerance separates desired service from adequate service. If performance is below 'adequate' level – the minimum level considered acceptable to the customers will be frustrated and their satisfaction with the provider will be undermined. Where performance exceeds desired service, customers will be delighted. ZOT is, thus, the range in which customers do not notice service performance.

Parasuraman et al, (1994) defined service quality in a three-column format: minimum service level (would expectations), desired service level (should expectations), and perceived performance. The ZOT is simply calculated by subtracting the 'minimum' from the 'desired' service level. They believe its usefulness lies in determining the dimension/attribute importance and thereby in allocating the service improvement resources most optimally. The ZOT is narrow for important service attributes. It means customers are likely to be less willing to relax their expectations on more important factors, making the desired and adequate levels higher.

When ZOT concept is used to determine the relative importance of SQ dimensions, it seems particularly beneficial when 'perception only' measure is used. But when gap model is used, the importance weights can be derived either directly by applying constant-sum-scale approach (Parasuraman et al, 1990), or indirectly by applying regression analysis, calculating beta coefficients to represent importance weights (Parasuraman et al, 1988), but the results so obtained, directly and indirectly, may not be the same. Parasuraman (Terry, 1988) opines that a much better and complete picture of the issue can be obtained if studied in conjunction with 'ZOT' concept.

In a paper concerning the history and future of quality assessment by Terry (Terry,1998), Teas questioned the usefulness of ZOT. He argued that if by some reliable method one calculates the relative importance of each of the attributes, then how does ZOT for each attribute contribute to making better decisions? In response to this argument, Terry (Terry,1998) observed that the priorities assigned by the management to attribute performance improvement should take into account not only the tolerance zones for the attributes but also the relative importance of attributes to customers. In other words, both ZOT and relative importance of service quality attributes can enhance effectiveness of decisions aimed at bringing about service quality improvement

In view of the above statement, the present study examines the issue of relative importance of service quality on all the three fronts: ZOT, direct constant-sum-scale, and regression analysis.

### **SERVICE QUALITY DIMENSIONS**

In services marketing literature, service quality has been reported as a second order construct, being composed of several first-order variables. Various authors have provided different conceptualisations over the time. They include, Gronroos's (1984) three component structure-technical, functional and reputational quality; Lehtinen and Lehtinen's (1982) three components - interactive, physical and corporate quality; Hedvall and Paltschik's (1989) two dimensions - willingness and ability to serve, and physical and psychological access; Leblanc's and Nguyen's (1988) five components – corporate image, internal organisation, physical support of the service producing system, staff/customer interaction, and the level of customer satisfaction; Garvin's (1988) nine dimensions: performance, features, conformance, reliability, durability, service, response, aesthetics, and reputation; Oliver and Rust's (1994) functional quality, technical quality and environment quality; and PZB's (1988) conceptualisation of five dimensions: tangibles (T), reliability (R), responsiveness (R), assurance (A), and empathy (E), which eventually led to the development of SERVQUAL.

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Their definitions are:

**Tangibles:** Physical facilities, equipment, and appearance of personnel.

**Reliability:** Ability to perform the promised service dependably and accurately.

**Responsiveness:** Willingness to help customers and prompt service.

**Assurance:** Knowledge and courtesy of employees and their ability to inspire trust and confidence.

**Empathy:** Caring, individualised attention the firm provides its customers.

SERVQUAL has been widely used by the researchers in a variety of industrial, commercial and not-for-profit settings, for one or the other reasons. To name a few of the studies: tyre retailing (Carman, 1990), dental services (Carman, 1990), hotels (Saleh and Ryan, 1992), car servicing (Bouman et al, 1992), hospitality (Johns, 1993), banking (Kwon and Lee, 1994; Wong and Perry, 1991), recreational services (Taylor et al, 1993), hospitals (Babakus and Mangold, 1992) etc. The present study employs PZB's 22-item scale and five - dimension structure of service quality for examining the research problem.

The SQ literature also recommends examining the role of context markers such as tangibility and consumer involvement so as to know whether they are helpful in advancing SQ theory (Buttle, 1996). It is believed that marketers' particular concern is the fact that consistency of service/product execution is harder to achieve through people than through machines. In each case it requires different amounts of efforts in achieving service consistency.

### OBJECTIVE

Taking a clue from here, the present study attempts to examine the role of nature of service in knowing the order of importance of SQ dimensions. It presumes the following: (1) the greater the degree of physical involvement by the customer in the service process, the more likely service personnel, equipment, and facilities are to form an important part of the service experience (Tangible - dominant) and vice versa, (2) in choosing between the competing suppliers, customers may base their choice criteria as much on their appraisal of these

elements as on their evaluation of the actual service output, (3) the marketers who zero in on the types of attributes that are dominant in the service package can then look for insights from other service businesses with similar facilities/people emphasis, (4) this type of analysis might show that the marketing strategies used by the services common in nature may not be generalised. The literature reviewed depicts that quality consists of different dimensions. These dimensions are independent. A product or service may be excellent in one dimension and just average in another. Very few services tend to be excellent in all dimensions. Thus, the quality of service can be determined by using a same of the dimensions of quality. Hence, identifying the relative importance of each dimension is important. These dimensions are translated into the requirements for the development of new services or for improving the existing one by concentrating the scarce resources on the more important dimensions.

The study, broadly, intends to measure the importance of service quality (SQ) dimensions across the services, and specifically, to the examination of:

- (1) the relative importance of quality dimensions ,
- (2) the service quality performance in relation to 'should' and 'would' expectations (zone of tolerance) and
- (3) the role of context markers viz., intangibility and consumer involvement to know whether they are helpful in advancing SQ theory e.g., if the consumer evaluation criteria differs.

## **METHODOLOGY**

The data for the study was obtained through a nondisguised-structured questionnaire. The questionnaire consisted of six sections, eliciting data on personal information, customer perception, expectations both 'should' and 'would', overall service quality, and the direct evaluation of five SQ dimensions. The data for measuring customer perceptions, 'should' expectations, and 'would' expectations was collected on a 22-item instrument structured by PZB (1985,1988). A separate battery of 22-items was used to measure each construct. PZB's proposed 22 statements of SQ to describe the five dimensions in all [1-4 (Tangibility),

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5-9 (Reliability), 10-13 (Responsiveness), 14-18 (Assurance), 19-22 (Empathy)].

Four services, namely, banking, fast-food, insurance, and beauty-salon were selected for the purpose on the basis of simple judgement that these are independent services. They were grouped on the basis of tangible-dominating and the degree of physical involvement of customers. On this basis banking and insurance were adjudged intangible-dominant and require least physical involvement of customer and on the other hand, fast-food and beauty-salon are characterised as tangible-dominating and require more physical involvement of customers. A total of 160 questionnaires were distributed to the respondents, forty under each category. The method of contact was personal. A five-point Likert scale ranging from 'strongly agree' to 'strongly disagree' was employed as it has been most recommended by the researchers that it would reduce the frustration level of patient respondents and increase response rate and response quality. Overall SQ was measured with the help of 7-point Semantic Differential scale ranging from '1' (poor) to '7' (excellent) to reduce shared - method variance, through we faced a few problem in regression when independent variables and dependent variable are measured on same scale. The respondents were also asked to distribute 100 points to the five dimensions considering their relative importance in the service context.

To make the study more specific, respondents belonging to the age group '30-35' and having personal service experience of at least 3 years and well familiar with the use of all modern technologies, were chosen. The study is based on convenience sampling held during the period covering Dec. 2002 to March 2003. No demographics and other personal variables have been explored in the study keeping in view the objectives of the study.

### **ANALYSIS OF DATA**

SPSS-X has been used to analyse the data. The service quality data has been analysed in four stages. In the first stage, the raw data obtained on 'would' and 'should' expectations was used to calculate the difference between the two expectations forms. This was done for each

service quality dimension. Their levels were assessed purely on the basis of their respective mean values comparing with the reference mean value of 3.50, which was selected arbitrarily. Two expectations levels with mean values equal to or greater than 3.50 were considered to define the importance of service quality dimensions. It is to meet the properties of Zone of tolerance concept, which defines importance of a variable in terms of higher 'would' and 'should' expectations and smaller difference between them. In the second stage, regression has been applied to determine the relative importance of the dimensions in the select services. Standardised Beta coefficients are the parameters used to determine the contribution of independent variables in predicting the value of dependent variable and are the relative importance scores of the variables. Higher the score, more important is the dimension. The problem of multicollinearity (correlation between the independent variables) has been checked through tolerance limit, which ideally must be less than 1. The third stage involved measurement of relative importance of various service quality dimensions by a direct method. For this purpose constant sum scale measure was used.

## **OBSERVATIONS**

The data analysis led to the following findings:

### **Stage 1: Zone of Tolerance and Service Quality Performance**

It highlights ZOT results of the select services and also explains about service quality performance in relation to ZOT by dimension.

The calculated scores of 'should' and 'would' expectations with respect to five service quality dimensions for all selected services are given in Table-1. In all the cases the 'would' and 'should' expectations scores are greater than 3.50, the arbitrary mean score adopted for the purpose of making comparisons. This indicates that all the service quality dimensions are important to the customers. The earlier study also reported the same results with respect to banking and fast-food (Sachdev and Verma, 2002). Further, in order to discover the relative importance of dimensions, the mean difference between 'would' and 'should' expectations was explored. This is as per the concept of Zone

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of Tolerance (ZOT) which states that the difference between the two expectation levels must be narrow in order to define the importance of the dimension.

Table 1: Zones of Tolerance and the Related Service Quality Performance by Dimension in Banking, Insurance, Fast-food, and Beauty-salon

Dimensions	Performance	'Should'E Mean Values	'Would'E	Mean Difference of 'Should' & 'Would'E
<b>BANKING</b>				
Tangibility	3.91	4.49	3.87	.617
Reliability	3.59	4.54	4.03	.506
Responsiveness	3.20	4.42	3.96	.468
Assurance	3.73	4.54	4.12	.421
Empathy	3.35	4.49	3.92	.568
<b>INSURANCE</b>				
Tangibility	3.13	4.42	3.97	.453
Reliability	3.17	4.68	4.04	.643
Responsiveness	3.21	4.56	3.95	.609
Assurance	3.42	4.67	4.11	.559
Empathy	2.90	4.50	3.83	.662
<b>FAST FOOD</b>				
Tangibility	4.08	4.59	4.20	.387
Reliability	3.74	4.46	4.09	.367
Responsiveness	3.52	4.25	4.04	.209
Assurance	3.58	4.42	4.04	.379
Empathy	3.25	3.92	3.62	.296
<b>BEAUTY SALON</b>				
Tangibility	3.87	4.44	3.97	.470
Reliability	3.94	4.46	3.69	.770
Responsiveness	3.66	4.22	3.81	.411
Assurance	3.73	4.25	4.06	.191
Empathy	3.64	4.25	3.91	.347

### The graphical presentation of ZOT (=) and SQ performance(\*):

It has been found that in banking, it is assurance (.421) at the first place, then responsiveness (.468) at the second place, followed by reliability (.506), empathy (.568), and tangibility (.617) are in the order of importance. In insurance, the order of importance found has been, tangibility (.453), assurance (.559), responsiveness (.609), reliability (.643), and it is empathy (.662) in the last. In fast-food and beauty-salon the orders are responsiveness (.209), empathy (.296), reliability (.367), assurance (.379), and tangibility (.387), and; assurance (.191), empathy (.347), responsiveness (.411), tangibility (.470), and reliability (.770) respectively.

The SQ Performance level in relation to ZOT by dimension, can be seen more clearly with the help of figures. As shown below, in banking, where assurance is identified as most important, performance is not noticed. The same is true for responsiveness, reliability, and empathy. Here tangibility has been reported least important but

performance is noticed .In insurance, the graph reveals a poor image as performance is below the adequate level in respect of all five dimensions. The same is the case of fast-food. Regarding beauty-salon, it is performing inadequately on assurance, which is the most important identified dimension here, and also on empathy, responsiveness, and tangibility. Reliability where identified the least important, is being performed on adequately.

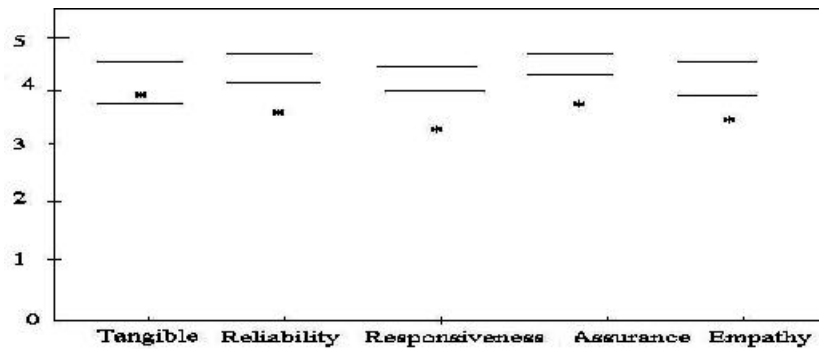


Figure 1: Banking

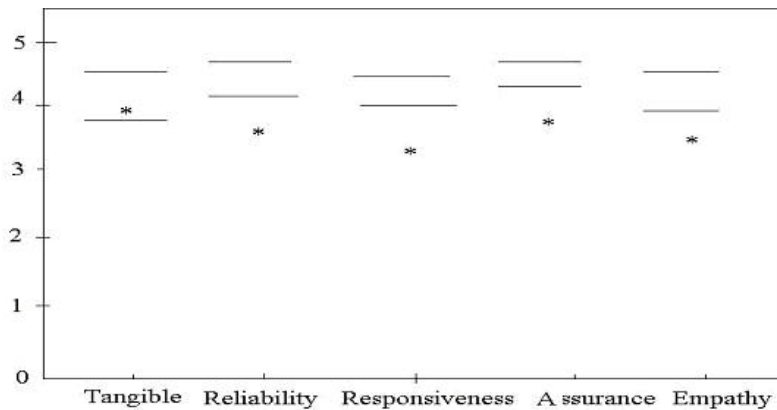


Figure: 2 Insurance

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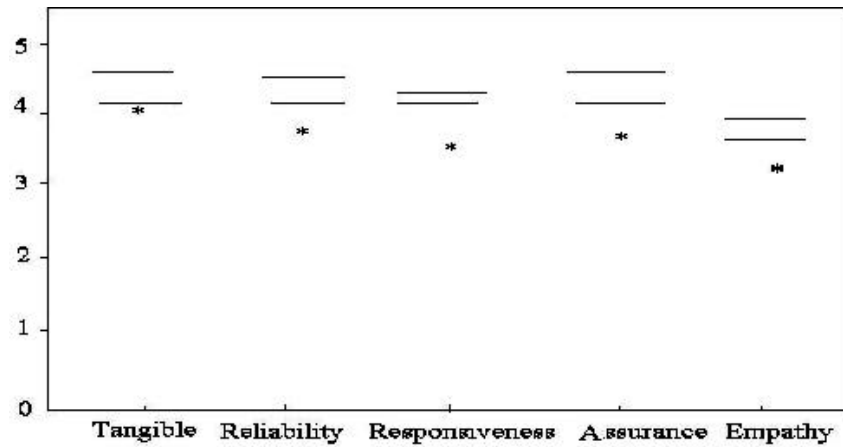


Figure 3: Fast-food

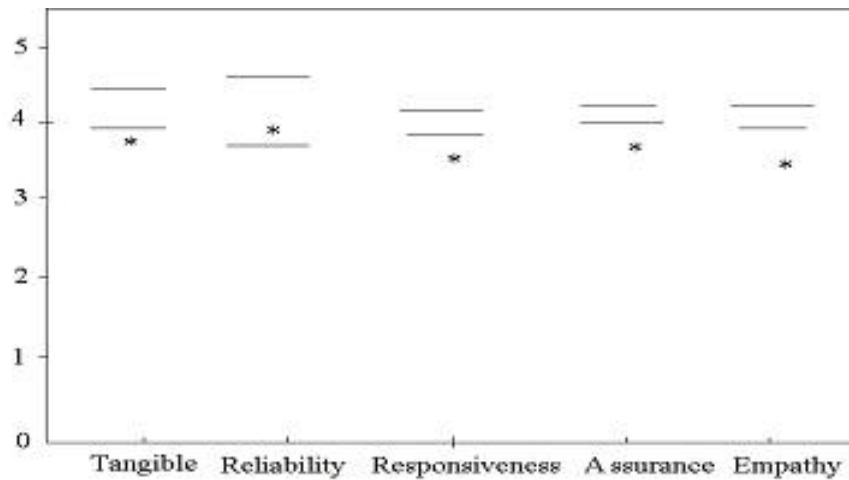


Figure 4: Beauty-Salon

### Stage 2: The Regression Results

While calculating the regression coefficients of the SQ dimensions in predicting SQ, care has been taken that multicollinearity is reduced to the minimum. It is checked through tolerance limit, which is less than 1 for all dimensions and in all select services (Table 2).

Table (2):Regression Coefficients ( Beta) in Banking, Insurance Fast-food, and Beauty-salon

Dimensions	'Performance' Measure		Significance	Tolerance
	Standardised Coefficients	Beta		
<b>BANKING</b>				
Tangibility	.274		.000	.185
Reliability	.183		.197	.036
Responsiveness	.115		.347	.046
Assurance	.138		.143	.081
Empathy	.345		.000	.203
<b>INSURANCE</b>				
Tangibility	.454		.000	.282
Reliability	.033		.784	.235
Reliability	.316		.045	.145
Responsiveness	.141		.377	.132
Assurance	.090		.392	.309
Empathy				
<b>FAST FOOD</b>				
Tangibility	.260		.000	.223
Reliability	.514		.000	.110
Responsiveness	.156		.044	.166
Assurance	-.074		.440	.100
Empathy	.188		.008	.209
<b>BEAUTY SALON</b>				
Tangibility	.239		.000	.240
Reliability	.236		.000	.341
Responsiveness	.212		.002	.157
Assurance	.158		.011	.181
Empathy	.235		.000	.199

As is evident from table 2, in banking, standardised Beta Coefficients have provided the following order of importance: empathy (.345), tangibility (.274), reliability (.183), assurance (.138), and responsiveness (.115), which does not match with the order given by ZOT. In insurance, this order is: tangibility (.454), responsiveness (.316), assurance (.141), empathy (.090), and reliability (.033). Again, it also does not match the order as given under ZOT. Regression results of fast-food do provide the following order of importance: reliability (.514), tangibility (.260), empathy (.188), responsiveness (.156), and assurance (-.074) and is incompatible with that under ZOT. Regarding beauty-salon, the order found is tangibility (.239), reliability (.236), empathy (.235), responsiveness (.212), and assurance (.158) and is different from the earlier ZOT.

### Stage 3: The Attribute Importance by Constant Sum Scale

Table 3

Dimensions	Banking	Insurance	Fast-food	Beauty-Salon
Tangibility	15.59	17.72	25.23	21.32
Reliability	22.31	26.31	22.90	25.24
Responsiveness	22.87	18.78	22.94	17.82
Assurance	20.53	20.28	14.39	16.94
Empathy	18.69	16.91	14.55	18.68

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Mean No. of Points Allocated Out of 100 Points to the Dimensions in Banking, Insurance, Fast-food, and Beauty-salon.

Here, again the results are not in harmony in relation to the previous two results. In respect of banking, responsiveness has been assigned the maximum points (22.87) putting it on the first in the ladder of importance. The others are placed as: reliability (22.31), assurance (20.53), empathy (18.69) and tangibility (15.59) in this order only. In case of insurance the mean points allocated in the order of importance are: reliability (26.31), assurance (20.28), responsiveness (18.78), tangibility (17.72), and empathy (16.91). In fast-food and beauty-salon, assurance has been identified the least important as minimum of 14.39 and 16.94 points have been assigned to it respectively. The remaining order of importance in fast-food is, tangibility (25.23), responsiveness (22.94), reliability (22.90), and empathy (14.55); and in beauty-salon it is reliability (25.24) tangibility (21.32), empathy (18.68) and responsiveness (17.82).

### **IMPLICATIONS**

The five dimensions service quality framework enjoys considerable support in the marketing literature. It is well accepted in both academic and practitioner's circles. The fact that there are five quality attributes or dimensions is essential to working out marketing strategy, but it is not sufficient. The important question that still remains is how to optimally deploy resources among these dimensions so that best value to the customers is provided and benefits of customer satisfaction and retention are obtained. At the heart of resource allocation issue is the discovery of relative importance of service quality dimensions. The service attribute that is valued higher by the customers must be given attention and resource support more than the less valued ones. The firm has an inherent risk of deploying resources on those attributes that are less critical at the cost of critical ones. It may be root cause of marketing failure. In this study, three methods were used to find the relative importance of service attributes and to establish consistency in their order of importance.

The three methods, namely, zone of tolerance, regression, and direct evaluation used for measuring the relative importance of service

quality dimensions have failed to provide a good amount of consensus on the pattern of importance of them in all of the services. That is, the ordering of dimensions according to importance differed in each case when ZOT, regressions and direct evaluation were used. This was true, not for any specific service, rather, it was the case with all services taken up in the study. Though, some agreement is found in respect of a few dimensions, for example, 'tangibility' is assessed as least important and 'empathy' the second least in banking by ZOT and direct evaluation; in insurance, 'empathy' is found least important by ZOT and direct evaluation; in a manner the order is confirmed by regression and direct evaluation for beauty-salon (tangibility/reliability, reliability/tangibility, empathy, responsiveness, and assurance), but this is not sufficient to establish the true order of importance.

By and large, it can be understood that all the dimensions are more or less equally important in the select services. Even if we look at the magnitude of the difference between the values of the dimensions under all the three methods (mean difference, beta coefficients, mean-points), it appears that they are not very far from each other.

The investigation into the actual performance viz-a-viz zone of tolerance reveals a grim picture. In case of banking the perceived performance is below 'would be' level of performance in four of five service dimensions. That is, the banking services do not even perform at the adequate level in respect of reliability, responsiveness, assurance and empathy. Banks seem to have performed better in case of tangibility dimension. The same kind of pattern is observed in insurance services. Except for the tangibles, insurance services perform below the adequate service level. Another thing common in these two services is that they fare particularly poor on responsiveness aspect of service quality. Lack of responsiveness implies how indifferent or lackadaisical they seem to be in terms of responding to customers' requests and needs

In case of fast-food and beauty salon services, the fast-food has particularly staged a poor show. The customers rated actual performance below the adequate service level in all of the five service dimensions. Like the previous two services, responsiveness is the sore point. The difference between adequate service and the actual service is the higher in responsiveness dimension. It is also interesting to know

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that responsiveness probably is very critical for fast-food customers because ZOT is the minimum for this dimension. The customers seem to be less tolerant of variation in responsiveness, but the paradox is that firms precisely fail to deliver there. In beauty salon services, the saving grace has been reliability where the actual performance is above adequate service level, but at the same time it is much below the 'wished for' level of service. That is, saloons have to go much far to be able to reach close to desired service level. Their show is miserably poor if one looks into the difference between the desired and actual service level on reliability. In other service attributes again, the actual performance is below the adequate service levels. The saloon customers seem to be less tolerant of assurance dimension as the ZOT is minimum in this case.

On the whole, in all the services taken up in this study, the service providers need to tone up their performance with respect to most of service dimensions. There appears to be a total failure in understanding and implementing quality in these services. This may be due to lack of sensitivity to the customers. This may be due to lack of sensitivity to customers in services. But as the competition in most of the services is hotting up, the only way for service, would be, to be at least above the adequate level of service performance on important service attributes.

Analysis of the results on the grounds of 'service context markers': tangible dominating and degree of customer physical involvement, was unable to offer any useful insights. When compared with banking and insurance, beta values and mean points confirm that services in fast food and beauty salon sector have more customer (physical) involvement. They are also more tangible and dominating. According to these results, 'tangibles' is very important to customers in fast-food and beauty-salon services. But, ZOT results indicate a contrary trend. In other dimensions also, no proper pattern of importance could be established by the three methods in the select contexts. Had it been found that there exists a consistent order of the dimensions within the context, it would have highlighted the role of context markers in understanding the theory of importance of service quality dimensions. The results here conclude that the dimensions do not follow the proposed service classification. The select services and context markers, thus, do not offer any insights into the issue.

## **DIRECTIONS FOR FUTURE RESEARCH**

The findings reported in this study offer several suggestions for future research.

First, research is needed to identify more dimensions to flesh out the service quality construct, e.g. technology. The importance of technology is felt in almost every service industry. Though customer acceptance of technology is still evolving, it is fast becoming a subset of the whole phenomena, e.g., technology in financial services is an interesting interplay between those companies that are willing to accept the risks of innovations and the willingness of customers to accept the fruits of that innovation. The smaller companies by adopting similar technology response can counter the increasing dominance of the largest companies. And the company that has technology has the opportunity to sell its expertise and achieve greater economies of scale in its own system.

Second, multiple statistical techniques need to be used to explore more about the consistency of the order of importance of service quality dimensions.

Third, the usefulness of segmenting customers on the basis of demographics is worth exploring. A future research aimed at determining whether distinct, identifiable service quality segments exist on the basis of customer demographics will be valuable from a service marketer's viewpoint. Insight from customer surveys or even more informal means of research could be used as a valuable information base in this regard.

Fourth, a few of the services and contexts could be taken up in this study. In future, researchers could cover more service categories and with large database.

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