Consumer Perceptions of Service Quality: a Cross-National Analysis

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International service is the fastest growing sector in the world economy, but few studies have examined cross-national perceptions of service quality. The authors test a second-order service quality (SQ) model within a cross-national context – USA and India. The proposed SQ model – where satisfaction mediates the relationship between SQ and behavioral intention - is found to be superior to competing factor structures in terms of model fit. Consumers in USA perceive service quality levels to be significantly higher than consumers in India and weigh reliability, assurance, and empathy more heavily in their overall assessments of service quality.

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EXTENDED ABSTRACT

Global trade in services is growing faster than other areas and accounts for one fifth of world trade and almost two-thirds of the world’s total output. This growth in world trade has resulted in an increasing trend towards internationalization of services (Cicic, Patterson, and Shoham 1999) in both developed and developing economies. While, service quality is reportedly the most heavily studied construct in services marketing (Fisk, Brown, and Bittner 1993), scholars have noted the lack of rigorous theoretical and empirical studies in international services marketing (Axinn and Matthyssens 2002). The purpose of this paper is to develop a theoretically and empirically supported conceptualization of perceive service quality (SQ) that can be used to develop strategies for the global marketing of services.

There is a pressing need for rigorous research on this topic because there is a lack of consensus regarding the conceptualization of SQ. Although, the five-component framework of Parasuraman, Zeithaml, and Berry (PZB) (1988) has been the dominant perspective on SQ, there is a lack of consensus relating to its factor structure – i.e., are these determinants or dimensions? (PZB 1988; Cronin and Taylor 1992; Dabholkar, Thorpe, and Rentz 1996). Further, there is also lack of consensus in terms of its degree of generalizability in a cross-national and cross-cultural context (Winsted 1997; Kettinger, Lee, and Lee 1995). That is, do consumers across nationalities and cultures attribute similar salience to the five-components in their perception of service quality?

Our study develops and estimates a second-order model of SQ and evaluates its model performance versus alternative model conceptualizations. The model is based on the five-component framework of PZB (1988) – i.e. tangibility, reliability, responsiveness, assurance, and empathy. In the past, SQ has typically been conceptualized as a first-order factor, as antecedents, as one-factor model, and/or multi-item summary construct (e.g., Brady and Cronin 2001; Carman 1990). However, it has been suggested that SQ is a higher-order, multidimensional, and multilevel construct (e.g. Dabholkar et al 1996). Further, our study examines the validity of the proposed second-order SQ model within a nomological network and evaluates its model performance versus alternative model conceptualizations. Based on cross-cultural theories, we develop hypotheses regarding how consumer perceptions of the first-order dimensions of SQ differ between the USA and India. We also develop hypotheses regarding the effects of perceived SQ on attitude, satisfaction and behavioral intentions in these two countries.

We chose banking services as our study context because they are widely available in both countries and the banking sector is an important part of the service economy in each country. A structured survey questionnaire was prepared and administered in English in the USA and India.

We use a hierarchy of models for factor structure comparisons specifically when testing for a second-order factor model. In addition, we compare the structural model fit of the proposed model to assess its predictive and nomological performance. In relation to the best factor structure, our study confirms the superiority of the proposed second-order SQ model against the competing models. Further, cross national differences in service quality perceptions exist between USA and India.

REFERENCES


