Short abstract

This paper develops a comprehensive model measuring service quality in the travel industry based on an extensive literature review, qualitative and empirical research. The authors propose a multidimensional and hierarchical model of service quality, which is consistent with the latest conceptualizations in the literature. In this model, service quality is a third-order construct which is composed of several dimensions and subdimensions. Our findings show that customers’ perceived service quality of travel agencies consists of three primary dimensions such as personal interaction, physical environmental and outcome, which are defined by seven subdimensions such as conduct, expertise, problem solving, equipment, ambient conditions, waiting time and valence. Our model has important implications for the measurement of service quality in this specific industry as well as for the development of valid measures of quality perception in the context of services.

References

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learning when the rule was perfect ($X^2(1)=3.82, p=0.049$), but constraints had no effects for pseudo-rules. Furthermore, a multinomial logit analysis showed that cognitive constraints were associated with a higher weight for quality ($p=0.012$) only when the rule was perfect.

It should be noted that prior expectations were equivalent for price and quality, so that the participants in our study had to learn to use quality, and not price, as the rule. These results are therefore consistent with rapid, focused learning and cannot be attributed to mere confirmation of prior expectations.

We show that cognitive constraints can enhance rule learning when prior expectations are consistent with the correct rule. By contrast, cognitive constraints usually inhibit rule learning when there are no prior expectations (e.g., Hutchison & Alba 1991; Justin et al. 2003; Smith & Kemler Nelson 1984). We obtain similar results when prior expectations are not consistent with the rule (study not reported in this abstract).

We are conducting additional research to examine the underlying process. We propose that when prior expectations exist, cognitive constraints might generate a more focused hypothesis at the outset and/or lead to a more aggressive hypothesis updating approach.

References

Service Quality Factors: A Study on Travel Agencies Industry
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Travel agencies in Spain are currently facing a rapidly changing environment. Proving high service quality is increasingly recognized as a critical factor in the success of firms in the travel and tourism industry (Fick and Ritchie, 1991). Travel agencies need to assess their service quality in order to identify the level of service quality in the travel business and the key drivers for service quality improvements.

The perception of service quality has been extensively studied during the past three decades. However, the service literature suggests that there is no consensus on how to conceptualize or operationalize perceived service quality (Cronin and Taylor, 1992; Rust and Oliver, 1994). Owing to the intangible, heterogeneous and inseparable nature of services, service quality can be defined as “the customer’s assessment of the overall excellence or superiority of the service” (Zeithaml, 1988, p.3). Many models have been developed to measure customer perceptions of service quality: “The Nordic Model” (Grönroos, 1984), “SERVQUAL model” (Parasuraman, Zeithaml, and Berry, 1988), “Evaluated Performance Model” (Teas, 1993), “SERVPERF” (Cronin and Taylor, 1992), “Retail Service Quality Scale” (Dabhokar, Thorpe, and Rentz, 1996), “The hierarchical and multidimensional” (Brady and Cronin, 2001).

A number of empirical studies have focused on service quality in the travel agencies industry. Most studies have measured service quality by replicating or adapting the SERVQUAL (Lam and Zhang, 1999; Ryan and Cliff, 1997; Johns, Avci, and Karatepe, 2004; Bigné et al., 1996) or SERVPERF models (Setö, 2003). Many marketing researchers admit that the use of those generic models to measure service quality across industries is infeasible (Babakus and Boller, 1992). Thus, in light of the problems associated with these models, the aim of this study is to develop a scale using a multidimensional and hierarchical model (Brady and Cronin, 2001) which takes the specific characteristics of the travel industry into account.

We develop a measurement instrument, in accordance with the procedure for scale development recommended by Churchill (1979). Thus findings from qualitative research, together with the review of the quality literature have been conducted to propose the following model: a hierarchical and multidimensional model in which quality is a higher order factor that is defined by three primary dimensions and seven subdimensions.

The first dimension is “personal interaction”. Several researchers have indicated the importance of this factor in the delivery of service and have identified it as having the most significant effect on service quality perceptions (Grönroos, 1982; Bigné et al., 1996). Both service literature and our qualitative research suggest that there are three subdimensions: conduct (Capelleras and Veciana, 2002), expertise (Brady and Cronin, 2001), and problem solving (Kim and Jin, 2002). The second proposed dimension is “physical environment”. Authors such as Ryan and Cliff (1997), Lam and Zhang (1999) or Johns et al. (2004) considered the influence of this factor on travel agencies customer service evaluations; two subdimensions are proposed to explain this dimension: equipment (Ko and Pastore, 2004) and ambient
conditions (Le Blanc, 1992). The last dimension of service quality is “outcome”. There was agreement in the literature that the outcome of the service encounter significantly affects customer perceptions of service quality (Rust and Oliver 1994; Carman 2000). The findings from Brady and Cronin (2001) and the qualitative research were used to propose the subdimensions of this latent variable: waiting time and valence.

After items generation and scale purification, the final instrument had a total of 31 items reflecting seven subdimensions of travel agencies service quality. A convenience sample of 202 individuals who used travel agencies services within the previous 12 months (Ryan and Cliff, 1997) was collected. Ninety-one percent of the respondents were between the ages of 18 and 45. The majority of the respondents (56 percent) were female. Fifty-six percent of the respondents had university degrees. It appeared that respondents with a “leisure” purpose for their trip (85%) dominated the sample, while “business” accounted for only 15%. About 63% of the respondent used travel agencies services once a year; 20% used such services twice or three times a year; and 17% used such services four times or more a year.

We conducted the test of the hierarchical third-order structure following the procedure for model testing proposed by Hayduk (1996) and Hayduk and Glaser (2000), using the “gold standard indicator” methodology. We thought that the dimension “outcome” is the best definition of the service quality concept (Ko and Pastore, 2004). The “valence” subdimension is the chosen as most closely defining the “outcome” dimension. It captures attributes that control whether customers believe that service outcome is good or bad, as an overall evaluation also. Regarding “personal interaction” dimension, we believed that “conduct” is its best manifestation. Attitude and behaviours have been considered to be vital elements in service encounters (Bitner, 1990). Finally, we selected the “equipment” subdimension as the key indicator of the “physical environmental” concept.

We began with the test of the model $M_{11}$ using LISREL 8.50 (Jöreskog and Sörbom, 2001) maximum likelihood method. We assigned 15% error variance to all the gold standard indicators and four of the diagonal elements of the Psi matrix were fixed to represent 15% of error variance of their respective gamma and beta paths. However, the model did not fit properly: $SB_2^2$: 30.35 (15); $p=0.011$.

The next stage was the test of a less restricted model ($M_{21}$) freeing all diagonal elements of the Psi matrix. This model yielded an excellent fit: $SB_2^2$: 6.54 (11); $p=0.840$. Nevertheless, this conceptualization lacks of the dictated meaning of the higher order latents. Hence, a more robust test of the theoretical model is needed, adding a second indicator per subdimension. The selection of the second best indicator was achieved according to the subjective view of the second best indicator and the patterns of correlations showed in the pretest analysis. We included these items in the model $M_{22}$, and the test yielded a poor fit: $SB_2^2$: 121.02 (74); $p<0.001$.

These results indicate that our view about the meaning of the latents is questionable, or at least, it is not as close to the gold standard observable indicator as we thought at first. However, if a less restricted model without error variance constraints fits, the model is not causally misspecified, and we can not reject the conceptualization unless some unexpected estimates appear. We tested $M_{32}$ with and excellent result: $SB_2^2$: 70.91 (67); $p=0.350$, and highly significant gamma, beta and lambda paths.

Also, we considered two alternative models: (1) A model with a general factor accounting for all items covariances, and (2) A model with a general factor accounting for all subdimensions covariances. In both cases, the analyses of the models showed that were inconsistent with the data.

The results of the third order confirmatory factor analysis have shown that we can count on the validity of a battery of 14 items that support partially the original purpose. The study of the residuals pattern of failing models, as $M_{22}$, is somewhat embarrassing because there are several problematic residuals. This fact makes more difficult to detect misspecification (Hayduk, 1996). However, the test of the less constrained model $M_{32}$ can reveal valuable information with regard to the pattern of causal relationships assuming we sacrifice the precise meaning of latents. This is summarized in the following lines: (A) “Outcome” is the key manifestation of service quality. This factor is unexpectedly close to the meaning of the higher order construct as it perfectly reflects the consumer evaluations of service quality. (B) Service quality evaluations are quite well defined by the judgements regarding how the service is delivered, and this approach agrees with the relevance of “personal interaction” in the service marketing literature (Grönroos, 1990). (C) Results clearly indicate that the environmental in which the service delivery occurs is not as good definition of service quality as the other two dimensions. This is an expected finding, because of the high degree of intangibility of this kind of service.

Our study shows that a lesser degree of abstraction in the definition of certain attributes of service quality would be desirable. Therefore our model serves as a starting point for improving the measurement of the service quality in this sector. Thus, it is a valuable strategic tool to know the weakness and strength of companies’ quality. We also stress in the systematic utilization of service quality questionnaires by travel agencies in order to obtain a dynamic picture of evaluations and consumer future intentions over time (Mittal, Katrichis, and Kumar, 2001; Johnson, Herrmann, and Huber, 2006).

References


How Do You React When You Know That You Miss the Price Promotion after Purchasing: The Impacts of Purchase Timing and Attribution on Perceived Price Unfairness, Negative Emotions and Behavioral Reactions

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Although price promotions can attract new customers as well as increase the amount of products bought by old customers, Blatteberg, Briesch & Fox (1995) have indicated that there still are negative effects on price promotions. One of them is the sales dip after the price promotions, which has been explained from two perspectives: purchase accelerations and stockpiling (Blatteberg, Eppn & Kieberman 1981; Neslin, Henderson & Quelich 1985). Recently, Zeelenberg & van Putten (2005) offered another explanation: switching behavior. They indicated that people who miss the price promotions may switch their purchasing to other brands.

Although Zeelenberg & Van Putten (2005) have examined how consumers will react when they missed price promotion, they just focused on consumers who realize the impact of price promotion before they purchase the product. But, consumers may realize such missing after they have purchased the product. Although such consumers have already purchased the product, the realization of missing price promotion may have impact on their post-purchase behaviors. Furthermore, perceived price unfairness has been identified as one psychological factor that exerts an important influence on consumer’s reaction to prices (Kahneman, Kenetsh & Thaler 1986; Campbell 1999). Therefore, this study examines how the missing of the price promotion will affect consumers’ perceived price unfairness when they realize such missing after they have purchased the product.