

SERVICE QUALITY AND REPEAT USAGE: A CASE OF RISING EXPECTATIONS

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The literature has focused on differences between customer expectations and delivery perceptions as the basis for service quality measurement, but little work has been undertaken to evaluate whether service expectations and perceptions change with usage experience. Based upon a multi-campus survey of career services center (CSC) users, this study finds support for a relationship between repeat usage and service quality. Specifically, users who rate a service as high quality tend to make greater utilization of the service, and frequent users tend to have higher service quality expectations and more accurate service quality evaluations. Key implications for service quality measurement are highlighted.

INTRODUCTION

Service industries are playing an increasingly important role in the overall world economy (Ginzburg and Vojta 1981; Koepp 1987; Batson 1989), and delivering quality service is considered an essential strategy for success and survival (Parasuraman, Zeithaml, and Berry 1985; Dawkins and Riecheld 1990; Reicheld and Sasser 1990; Zeithaml, Parasuraman and Berry 1990). A principal emphasis of recent academic and managerial inquiry has focused on determining what service quality means, developing appropriate measures, and creating market-focused strategies to meet customer expectation.

While extant service quality literature is prodigious, scholars have paid little attention to usage frequency and its possible relationship with service quality perception, even though it is well known that service users may change their perceptions over time as they gain additional experience. For instance, the first-time user of a new restaurant has a delightful experience

and rates it highly on a customer comment card. But on subsequent visits, the customer grows tired of the limited menu and notices weaknesses in food quality that were not apparent on the first visit. These weaknesses are noted by a decline in quality rating as marked on comment cards even though there was no real change in the service. Changes of this type may mask real changes in service quality over time and consequently have serious managerial implications. Accordingly, the purpose of this study is to explore usage frequency and its effects on service quality measurement. Specifically, how does usage frequency affect customer perception? What is the effect on service expectation as frequency increases? And, do frequent users exhibit a more consistent pattern of service quality perception (less variability) than less frequent users?

This paper will first present a literature review of current studies as they relate to service quality measurement, service quality expectations, and attitude change. Following will be the development of research hypotheses pertaining to repeat usage. A methodology section will then be presented which will discuss sample selection, sample size, and the elicitation procedure. Results will then be reported, and the paper will conclude with a discussion of

findings, literature contributions, research limitations and extensions.

SERVICE QUALITY AND ITS MEASUREMENT

Service quality is a measure of how well the delivered level of service matches customer expectations. Accordingly, if a service provider is to deliver high quality service, it must conform to customer expectations on a consistent basis over time (Lewis and Booms 1983). Service quality first began to receive significant attention in the late '70s, and this work resulted in several ground-breaking articles, including Sasser, Olsen, and Wyckoff (1978), Gronoos (1982), Lehtinen and Lehtinen (1982), and Lewis and Booms (1983). Three underlying themes are suggested in this early literature: (1) Service quality is more difficult for the consumer to evaluate than goods quality; (2) Service quality perceptions result from a comparison of consumer expectations with actual service performance; and (3) Quality evaluations are not made solely on the outcome of a service, but also on evaluations of the process of service delivery.

Service quality measurement has benefitted greatly by the work of Parasuraman, Zeithaml and Berry, who developed a model and measurement approach which they named SERVQUAL (Parasuraman, Zeithaml and Berry 1985, 1988, 1994; Zeithaml, Parasuraman and Berry 1990; and Parasuraman, Berry and Zeithaml 1993). Consisting of a 22-item instrument, SERVQUAL is based on the idea that service quality is derived from the difference between consumers' expectations about performance of a general class of service providers and their assessment of the actual performance of a specific firm within that class. Service quality has been described as a form of attitude, related but not equivalent to satisfaction, that results from the comparison of expectations with performance (Parasuraman, Zeithaml, and Berry 1988).

Given the Lewis and Booms (1983) definition of service quality, and its requirement for consistency in result over time, it is curious that measure development has tended to avoid user experience as a

modeled variable. Neither SERVQUAL, nor the more recent competing measure called SERVPERF (Cronin and Taylor 1992), include respondent usage (or its surrogate, brand loyalty) as part of the measurement model. Furthermore, follow-up research has concentrated on the relative evaluation of these competing measurement approaches rather than evaluating the effects of related constructs on service quality measurement.

Our search was unable to find any study that examined repeat usage in a service quality setting. Thus, in order to find theoretical support for a relationship between these constructs, we examine three theoretical approaches which apply to attitude change: reinforcement, cognitive dissonance, and social judgement. Each provides insights into the relationship among the variables of interest and assists in the development of theory-based research hypotheses.

DEVELOPMENT OF RESEARCH HYPOTHESES

The first theoretical perspective we examine for its applicability to the service situation is reinforcement [see Schwartz (1989) for a comprehensive exposition of this theoretical perspective]. Reinforcement theory suggests that subjects possess a *need* for certain specified goals, such as good value and friendly service. When exposed to a *stimulus* (an advertisement, for example), the subject will engage in certain *behavior* (such as proceeding to the service establishment with the intention of having service performed and their need fulfilled.) The subject receives *positive reinforcement* when the service is rendered in a high quality fashion and the subject's need is met, and *negative reinforcement* when the service is rendered in a poor quality manner which fails to satisfy the subject's need.

Positive and negative reinforcement have opposite effects. Hull (1952) posited that positive reinforcement strengthens the relationship between stimulus and response because it fulfills need, reduces drive, and builds up habit tendencies. Thus, the subject becomes habituated with the focal service establishment and is increasingly likely to return each

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time he or she is confronted with the stimulus. On the other hand, negative reinforcement reduces the relationship between stimulus and response because it fails to fulfill need, increases drive, and lessens habituation. Under negative reinforcement, the subject is driven away from the focal service establishment.

The reinforcement perspective would suggest that service providers who can provide consistently positive reinforcement through high quality service delivery will build a loyal customer base. Those customers will become habituated because of their prior experiences of high service quality. Service providers that are inconsistent in the quality of service they provide are unlikely to develop a loyal customer base because the negative reinforcement they offer reduces habituation. Accordingly, we propose the following hypothesis:

- H₁: The greater the perception of delivered service quality among service consumers, the greater will be the frequency of use.

A second theoretical perspective which applies to this area of inquiry is social judgement theory as developed by Sherif and Hovland (1961) and later refined by numerous scholars. Social judgement theory is principally concerned with the psychological processes underlying the development and expression of attitudes. This theory suggests that when evaluating other people and things (brands or service providers, for instance) individuals develop *latitudes of acceptance*, *latitudes of rejection*, and *latitudes of noncommitment* which they use as guidelines to speed the evaluation. The latitude of acceptance consists of all the possible behaviors that are deemed acceptable by the subject, and in the service setting might consist of how quickly one is served, the degree of friendliness exhibited, the level of competence of the wait staff, and other factors. When a subject is greeted by a preponderance of acceptable behaviors, his or her internal latitude of acceptance supports the development of a favorable attitude towards the service experience. On the other hand, when behaviors are encountered that fall within the latitude of rejection, the subject's attitude toward the experience becomes unfavorable.

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Sherif et al. (1965) suggested that individuals who have a low level of familiarity with what they are evaluating, possess a wide latitude of acceptance and latitude of noncommitment and at the same time have a small latitude of rejection. In short, they really don't have a refined sense of what is good and bad. Then as individuals become more familiar with (and more involved with) the person, place or thing being evaluated, their latitudes of acceptance and non-commitment shrink while their latitude of rejection expands. Because the number of behaviors they value becomes reduced and the number of objectionable behaviors increases, they become more discerning in their judgements. Accordingly, we propose:

- H₂: The greater the frequency of use, the greater will be the service quality expectation.

A third theoretical perspective that applies to our question is the theory of cognitive dissonance (Festinger 1957). This theory posits that individuals possess an essential desire for cognitive consistency or balance in their belief. For instance, when a service provider does a great job and a consumer is delighted with the service he or she receives, it would be cognitively consistent with the service experience if that consumer would hold a favorable attitude toward the service provider. On the other hand, if the consumer receives poor treatment on the next service occasion, that poor treatment is inconsistent with the consumer's favorable attitude. When non-fitting relationships between cognitive elements are introduced, the sense of cognitive balance is lost and the individual seeks to restore consistency by changes in attitude, behavior and selected exposure to new information.

Festinger (1957) suggested that individuals will engage in selective exposure and retention of new information, tending to seek out consonance-producing information and ignoring (or discounting) dissonance-producing information. In the case of involuntary exposure to dissonance-producing information, the individual may set up defensive processes which prevent the non-fitting information from becoming part of the cognitive system. This would suggest that a loyal consumer with a favorable

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attitude toward a service provider may tend to ignore some sporadic deficiencies in a service-provider's performance, casting these incidents aside as momentary lapses in an otherwise stellar performance. Accordingly, we propose:

- H₃: The greater the frequency of use, the less the variability in service quality perception.

RESEARCH METHODOLOGY

To test the previously stated hypotheses, we chose a readily observable service environment available on most college campuses -- the Career Services Center (CSC). Students of all grade levels utilize CSC services to assist in obtaining part-time employment, internship selection, résumé writing assistance, job search information, and on-campus recruiting, to name just a few. Discussions with a sample of students convinced us that most undergraduates have an opinion on the quality of their campus CSC.

Data were collected as part of a larger study of career services performance involving undergraduate college students at three universities, all located in the Midwestern part of the United States. Respondents were selected from students who indicated they had had prior experience in using services offered by their campus career services center. Participation in the study was voluntary and students were informed only that the study involved questions about the career services center on their campus. Questionnaire elicitation resulted in 230 usable responses, split evenly from among students at the three participating universities. The questionnaire included a modified version of the SERVQUAL instrument (Zeithaml, Parasuraman and Berry 1990) developed and validated for CSC's as described in the following paragraphs.

In a preliminary study, CSC directors from nine different campuses were interviewed to obtain their perceptions on the meaning of quality in the CSC context. The five dimensions of SERVQUAL were affirmed as being an effective representation of the totality of the service quality construct. Therefore, the five SERVQUAL dimensions -- tangibles, reliability, responsiveness, assurance and empathy -- were

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retained as appropriate dimensions for the current study. Follow-up questionnaires to the same audience identified fifty additional scale indicators that could be used as alternatives to the standard SERVQUAL items. Then a purification and validity assessment procedure was applied to refine the scale items employed by the measure. This resulted in a refined SERVQUAL instrument, custom-tailored for the application at hand, with coefficient α reliabilities all above .75 for the five individual sub-scales.

Student respondents were also asked to check which services they had experienced through the career services center on their campus. The total number of checks provided a measure of the relative usage frequency by which respondents had experienced the services provided by the center. One additional measure of usage was gathered in the elicitation. Respondents were asked to indicate their frequency of use by checking a four-level response format, from "never" to "often." This measure provided an additional cross-validation on the previous usage measurement.

Regression analysis was chosen as the appropriate statistical method to test the significance of the relationship between the metric variables of interest. Three regression tests were run, one for each research hypothesis.

EXPERIMENTAL RESULTS

The results of the regression analysis tests support all three research hypotheses (Table 1). The data provide support for the first hypothesis establishing a relationship between service quality perception and usage frequency. The F statistic was 7.9 and adjusted R-square was .46. This result indicates that those respondents who rated service quality high tended to utilize that service more frequently than those who rated the quality lower.

The second hypothesis, establishing a relationship between service quality expectation and frequency of use, was strongly supported by the results ($F = 19.2$; adj. R-Square = .69). This indicates that our respondents tended to raise their quality expectation with repeat exposure to that service. In other words,

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their internal quality standards tended to be revised upwards as they experienced the focal service more frequently.

TABLE 1
Analysis of Variance

Parameter	H1	H2	H3
F	7.901	19.216	29.844
p	.0261	.0032	.0009
Adj. R-sq	.4631	.6948	.7829
Mean Sq	59.50	27.80	48.38

The third hypothesis, establishing a relationship between perception variability and usage frequency, was also strongly supported ($F = 29.8$; adj. R-Square = .78). This indicates that respondents tended to increase their accuracy of service quality perception with increased exposure to the service being evaluated. In summary, our results show that service users frequent the service establishments they rate as high in service quality, raise their service quality expectations as they gain more experience with that establishment, and become more "accurate" in their assessment of service quality delivery.

DISCUSSION

Our results suggest that service providers should exercise caution when interpreting the results of service quality assessment. Rising service quality scores over time may simply be an artifact of changing customer composition (more experienced customers) rather than the result of real service improvement. Our data suggest that one-time users tend to have lower expectations and lower delivery perceptions than multiple-time users. We suggest that comprehensive service quality assessment must include some means of control for service usage among the respondent sample. By controlling for service usage, the service measurement system can more readily discern any real improvements in service quality delivery versus the benchmark value.

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The control for service usage could be accomplished in at least two ways. First, the elicitation instrument could include additional self-report items which indicate the types of services used by the respondent, similar to the checklist approach employed in this study. This approach has an added utility in that service mix information can be gathered. Service quality scores can then be more readily determined for each type of service provided.

A second approach would involve the use of agreement-type response items in which the respondent indicates a qualitative assessment of past usage habits. For instance, the item could pose the question, "indicate your degree of agreement: I have used the service many times." This approach may be integrated into the survey instrument more seamlessly than the first approach because the preferred service quality scales (that is, SERVQUAL and SERVPERF) are constructed of agreement-type response items.

This study is a first step toward a comprehensive examination of the role that usage frequency plays in the formation of service quality attitudes. We have visited the attitude change theory literature to derive three research hypotheses, then found empirical support for those hypotheses based upon a multi-campus study of service quality related to career service centers. In addition, we've provided practical suggestions and research extensions. There are some limitations, however.

Limitations to this study include its generalizability to other service environments and its cross-sectional nature. While it is unlikely that service quality expectations and delivery perceptions function differently with respect to usage frequency for campus career services centers that serve student populations than for other credence-based services provided to the general public, it is necessary to gather empirical support to ascertain equivalence. Similar studies among retail, restaurant, medical and telecommunications service users would support the generalizability of the findings presented here. Any cross-sectional study is unable to discern service quality perception changes in individual respondents over time. Longitudinal studies in which individual

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respondents are tracked as they experience repeat exposures to the service situation would be the preferred methodological approach. Such a study would have the capability of controlling for respondents who stop using the service for whatever reason.

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