

Exploring Relationship Marketing: How to establish a Trustworthy Relation with Customer by Examining Service Quality Gaps

Yale Wang* James Jim-Chen Ko** Tsou Cheng-Chung***

ABSTRACT

Most studies have examined the gaps between customers' perceptions of service quality before the service and their perceptions of that after the service. This study is trying to use a different approach to examine service quality by studying the gaps between the perception of sales peoples and that of their customers. We find that:(1) by having them comprehend the intentions of quality service, most sales peoples would require the quality of their services even beyond what their customers demand from them; and (2) by perceiving this gap, a trustworthy relationship, therefore, exists between sales peoples and their customers, which presents a result that the customers are more willing to repurchase.

KEYWORDS: Service quality; Relationship marketing; Service industries; Trustworthy relationship.

-
- *Associate Professor, Department of Finance, Chaoyang University of Technology, Tel:+886423323000ext4608, Fax:+886423742333, E-mail:yalewang@cyut.edu.tw
 - **Corresponding author, Assistant Professor, Department of Finance, Chaoyang University of Technology, Tel:+886423323000ext4390, E-mail:jimchen@cyut.edu.tw
 - *** Assistant Professor, Department of Finance, Chaoyang University of Technology.

關係行銷之探究：如何從消費認知之差異中建立信賴關係

王言* 柯俊禎** 鄒建中***

摘要

相關研究主要探討消費者對服務品質之認知，進而了解對產品之滿意程度，本研究以不同之角度，探討當消費者對服務品質產生認知差距時，在產品行銷過程中所產生之關係變化。我們發現：

- 一、在了解服務品質意義與真諦之前提下，此差距產生“超越性”
- 二、此“超越性”之認知間隙可催化消費者之信賴關係。

研究結果可提供各產業在建立客戶服務，信賴關係以及行銷教育之建議與參考。

關鍵字：消費認知，關係行銷，信賴關係



*朝陽科技大學財務金融系副教授，聯繫地址：台中縣霧峰鄉吉峰東路 168 號 朝陽科技大學保際金融系，電話：(04)23323000ext4608，

E-mail：yalewang@cyut.edu.tw

**通訊作者，朝陽科技大學財務金融系助理教授，聯繫地址：台中縣霧峰鄉吉峰東路 168 號 朝陽科技大學財務金融系，電話：(04)23323000ext4309，E-mail：jimchen@cyut.edu.tw

***朝陽科技大學財務金融系助理教授\

Introduction

Service quality (SQ) is commonly concerned as a prerequisite for establishing a close relationship between service providers and their customers (Germano, 1992; Kearns and Nadler, 1992; Zethmal, Berry & Parasuraman, 1996). Delivering quality service is also considered as an important strategy for business success in today's competition environment (Lassar, Manolis and Winsor, 2000; Berry and Parasuraman, 1997; Dawkins and Reichheld, 1990; Reichheld and Sasser, 1990). To better measure the consequence of service quality affecting on customer relationship, Parasuraman et al. (1985) initiated a research stream that was considered to be the most comprehensive studies focusing on assessing the association between service quality and customer satisfaction. In general, they defined that service quality was a function of pre-purchase customer expectation, perceived process quality and perceived output quality, and could be examined by a gap between customers' expectation of the quality before the service and their perceptions of the quality after the service (Parasuraman et al., 1985 and Lassar, Manolis & Winsor, 2000). That is how consumers are satisfied is relevant to the difference between the services being expected and those being actually received (Parasuraman et al., 1988; Palmer and Cole, 1995; Zahorik and Rust, 1992; Lassar et al., 2000). Although diversification of opinions remains, many global researchers have studied service quality based on the conceptualization of Parasuraman et al. This study, therefore, is trying to use a different way to examine service quality by studying the gaps between the perception of sales peoples and that of their customers.

Literature Reviews.

Pakdil and Harwood (2005) measured patient satisfaction by calculating the gap between patients' expectations and perceptions about services delivered. The study found Parasuraman et al's model to be useful in revealing differences between patients' preferences and their actual experiences about delivering quality services in Turkey hospitals. To study customers' perceptions of service quality, Zeithaml et al (1996) reported that customers who experienced no recent service problems with a company have significantly better service quality perceptions than those who experienced a recent service problem that was satisfactorily solved. Trying to understand the service quality framework based on Parasuraman et al's theory within an Eastern business context, Lam (2000) conducted a replication study in Macau to



examine the sustainability of the SERVQUAL measure of service quality proposed by Parasuraman et al. (1985, 1988) in Chinese culture. The results came somewhat different from the original model. Roledo (2001), studying the impact of expectation on the perception of service quality, stated that understanding customer expectation was a prerequisite for delivering superior service, since customers evaluated service quality by comparing their perceptions of the service with their expectations. As a result, the examination of alternative perceived quality models suggested that models which measured service quality considering expectation (the disconfirmation paradigm) were superior to the models that measured service quality as a function of performance only. In search of the relationship between service quality and service loyalty, Bloemer et al. (1999) depicted how the service loyalty dimensions were related to the dimensions of perceived service quality across different types of service industries.

Motivation and Objectives

Previous reviews. Although various articles analyze determining what service quality means to customers and how they perceive it, they all seem analogical to the subject of examining perceived service quality and its relationship with different constructs only from customer's aspect. However, the notions of what service quality means to service providers and how it relates to satisfaction remain largely untested and somewhat neglected, when, especially, different perceptions about service quality between customers and service providers do exist; namely , in some high contact service businesses like banking and insurance, service providers always deem themselves more as professional advisors than satisfaction providers reckoned by customers which may, accordingly , conflict their role perception in the work affecting service quality (Ford, Walker, and Churchill, 1983; Shuler, Aldag, and Brief, 1977; Rizzo, House, and Lirtzman, 1970; Onyemah, 2008). Therefore, this study was to examine the different perceptions of service quality between customers and service providers (sales peoples), and tried to understand how the differentiation might relate to the intention of satisfaction. Therefore, the primary purpose of the study is trying to generate some meaningful insight about service quality from the perspective of service providers.

Hypotheses

Better understanding. Based on the motivation to explore the subjects of service quality from the different perceptions between customers and service providers noted, the following questions of the study are, hence, developed:

1. What are differences between service providers and their customers in regard to the perception of service quality?
2. How does the differentiation relate to the customers' intention toward satisfaction presented by the will of repurchase?



In order to answer the above questions, hypotheses are also addressed:

1. There are no significant differences between service providers and their customers in regard to the perception of quality service, even considering their personal characteristics including gender, age, education and income.
2. Accordingly, there are no significant relationships between the disparity of the perception and the intention of repurchase.

Subject of Study

As financial industry is one of the studied service providers in the scale construction stage of the SERVQUAL instrument (Parasuraman et al., 1985, 1988; Lam, 2002), and insurance business belongs to a highly individual contact service (Crosby and Stephens, 1987), “A” Life Insurance Ltd. (ALife), one of the few international insurance companies operated in Taiwan that has explicitly emphasized pursuing excellent services and professional advices most successfully, was chosen as the subject of this study (Wang & Chen, 2007).

Methodology

The SERVQUAL questionnaire, which is considered as an application widely used to understand both the expectation and perception of customers and service providers regarding service quality (Fedoroff, 1988), was administered in Chinese. The original 22 items applying to 5 constructs – tangibles, reliability, responsiveness, assurance and empathy - comprising the instrument were first translated into Chinese and back translated again to preserve the original meanings (Lam, 2002). Meanwhile, a reliability test and a concurrent validity test were also proceeded for the Chinese version to have the results with the significant levels (0.01) of Cronbach’s $\alpha = 0.89$ and $r = 0.70$, which are considered satisfactory. A sample of 170 sales peoples, which are about more than 30% of the company’s entire sales forces in the central part of Taiwan, were randomly selected, and their customers were also randomly picked by an anonymous list provided by the sales peoples respectively. A total of 850 questionnaires were to send to both the sales peoples and their customers, and they were asked to rate a 5 point interval scale from “strongly agreed (5)” to “strongly disagreed (1)” with such service quality defined by Parasuraman et al. (1988) that ALife should provide for the customers. In addition, a question of 5 point scale was also attached for the customers to rate how willing they are to repurchase. The total number of respondents, after the mailing of the third follow-up letter, was reached to 442 (170 responses from the sales peoples; 272 responses from the customers), in which 32.5% are male and 67.5% are female. More than 80% of the respondents are college-education levels with the ages from 21s to 50s (see Table1).



Table1: Some descriptive information of the subjects

Some descriptive information of the Subjects			
Categories	Description	Number	Percent (%)
Sampling	Sales peoples	170	38.5
	Clients	272	61.5
Gender	Male	144	32.5
	Female	298	67.5
Age	21-30	241	54.5
	31-40 (or above)	201	45.5
Education	High school graduate	84	19
	College graduate (or above)	358	81

Analysis

Both answers from the customers and the service providers were analyzed by using a one-way ANOVA to test null hypothesis 1- “ there are no significant differences of the perception about quality service between service providers and their customers in term of demographic concerns”. Although the analysis examined there were not so many significant differences between service providers and their customers, the results (see Table 2) still presented evidences, shown, in Table 2, that: (1) salesmen expressed more supportive on service quality than male customers in terms of tangibles; (2) young sales peoples expressed more supportive on service quality than young customers in terms of reliability; and (3) sales peoples with college graduated expressed more supportive on service quality than customers with high school graduated in terms of reliability and assurance.

Table2: Analysis of variance of the perceptions of service quality toward service providers and their customers

Analysis of variance of the perceptions of service quality toward service providers and their customers							
Factors of service quality	Source of variance	Subject		Mean	SD	F statistic	Scheffe
Intangible	Sex	Sales people	(1)Male	3.70	0.79	3.00*	1 > 3
			(2)Female	3.33	0.60		
		Customer	(3)Male	3.57	0.68		
			(4)Female	3.55	0.67		



Reliability	Age	Sales people	(1)21 to 30	3.85	0.80	3.45*	1 > 3
			(2)31 to 40above	3.68	0.75		
		Customer	(3)21 to 30	3.76	0.78		
			(4)31 to 40above	3.53	0.65		
Reliability	Education	Sales people	(1)high school	3.40	0.61	2.22**	2 > 3
			(2)college	3.76	0.77		
		Customer	(3)high school	3.60	0.70		
			(4)college	3.63	0.74		
Assurance	Education	Sales peoples	(1)high school	3.67	0.70	2.61**	2 > 3
			(2)college	4.28	0.48		
		Customer	(3)high school	4.08	0.32		
			(4)college	4.24	0.28		
Note: * significant at 0.05 level ** significant at 0.01 level							

To test null hypothesis 2 - “ there are no significant relationships between the disparity of the perception and the intention of repurchase”, a simple regression analysis was used to examine the answers, and the results showed, in Table 3, that: (1) there was a positive relationship between the disparity of the perception and the intention of repurchase while considering gender; that is, when salesmen express more supportive on service quality than male customers in terms of tangibles, male customers are more willing to repurchase; (2) there was a positive relationship between the disparity of the perception and the intention of repurchase while considering age; that is, when young sales peoples express more supportive on service quality than young customers in terms of reliability, young customers are more willing to repurchase; and (3) there was a positive relationship between the disparity of the perception and the intention of repurchase while considering educational background; that is, when sales peoples with college graduated express more supportive on service quality than customers with college graduated in terms of assurance, customers with high-school graduated are more willing to repurchase.

Table3: The relationship between the disparity of the perception and the intention of repurchase

The relationship between the disparity of the perception and the intention of repurchase								
Dependent variables	Independent variables	Beta	t-value	R ² (adjust)	SST	SSE	SSR	F
The intention of repurchase	Male sales express more supportive on service quality than male customers in terms of intangible	0.75	17.54**	0.50	25169.12	10649.01	14520.11	426.18**



	Young sales express more supportive on service quality than young customers in terms of reliability	0.80	16.98**	0.63	25169.12	8923.90	16245.22	463.75**
	College-graduated sales express more supportive on service quality than high-school graduated customers in terms of assurance	0.70	17.33**	0.41	25169.12	12688.38	12480.74	376.83**
Note: ** significant at 0.01 level								

Discussion and Implication

Most studies have examined gaps between customers' perceptions of service quality before the service and their perceptions of that after the service. This study, however, is trying to use a different approach to examine service quality by studying the gaps between the perception of sales peoples and that of their customers. The results show that: (1) by examining the gaps in terms of the perception of quality service, we find that sales peoples present more concern on the service quality than their customers especially in the major dimensions of tangibles, reliability and assurance; and (2) by examining the above differences between sales peoples and their customers, we also find that while sales peoples express more concern on the service quality than their customers, the customers are more willing to repurchase. This could explain that: (1) by having them comprehend the intentions of quality service, most sales peoples would require the quality of their services even beyond what their customers demand from them; and (2) by perceiving this gap, a trustworthy relationship exists between sales peoples and their customers, which presents a result that the customers are more willing to repurchase. Some suggestions may, therefore, be addressed as follows:

1. Since a trustworthy relationship between sales peoples and their customers could be tested by examining the disparity of the perception in quality service relating to the willing of repurchase, a well-designed job training program to help the employees understand the value of quality service is, therefore, quite important for companies to build the relationship; this kind of investment can never be neglected.

2. Although we can study satisfaction through the gaps between customers' expectation before service and their perception after service, the satisfaction may also be examined by the disparity between sales providers and their customers relating to the willing of repurchase. It could tell us how important



this satisfaction is for companies to maintain a trustworthy relationship with their customers, which might generate repurchases.

Suggestion

The approach outlined in this study should be replicated in different regions and cultures, as well as in other industries. Additional studies are also suggested to explore the topics of the establishment of trustworthy relationship by investigating the disparity related to other dimensions.

References

- Berry, L. L. & Parasurama, A. (1997). Listening to the customer-The concept of service-quality information system. *Sloan Management Review*, Vol.38, No.3, 65-76.
- Bloemer, J., Ruyter, K., & Wetzel, M. (1999). Linking perceived service quality and service loyalty: A multi-dimensional perspective. *European Journal of Marketing*, Volume 33, No. 11/12, 1082-1106.
- Babakus, E. & Boller, G. W. (1992). An empirical assessment of the SERVQUAL scale. *Journal of Business Research* (24), May, 253-268.
- Crosby, L. A. & Stephens, N. (1987). Effect of relationship marketing on satisfaction, retention, and prices in the life insurance industry. *Journal of Marketing Research*, Vol. 24, No. 4, 404-411.
- Cronin, J. J. & Taylor, S. A. (1992). Measuring service quality: A reexamination and extension. *Journal of Marketing* (56), July, 55-68.
- Cronin, J. J. & Taylor, S. A. (1994). SERVPERF versus SERVQUAL: Reconciling performance-based and perceptions-minus-expectations measurement of service quality. *Journal of Marketing*, Vol. 58, No. 1. 125-31
- Carman, J. M. (1990). Consumer perceptions of service quality: An assessment of the SERVQUAL dimensions. *Journal of retailing*, Vol. 66, No. 1, 33-35.
- Dawkins, P & Riechheld, F. (1990). Customer retention as a competitive weapon. *Directors and Board*, Vol. 14, No. 4, 42-47.
- Ford, N. M., Walker, O. C., Jr. & Churchill, G. A., Jr. (1983). Differences in the attractiveness of alternative reward among industrial salespeople: Additional evidence. *Research Perspectives on performance of salespeople: Selected Readings* (pp. 347-371). Cambridge, MA: Marketing Science Institute.
- Fedoroff, P (1988). Comparing service quality performance with customer service quality: Explanation of SERVQUAL methodology of Zeithmal, Parasuraman and Berry. *12 Manage.*
<http://www.12manage.com>
- Germano, C. A. (1992). The bottom line of quality. Memphis, TN: Federal Express Corporation.



- Kearns, D.T. & Nadler, D.A. (1992). *Prophets in the dark: How Xerox reinvented itself and back Japanese*. New York: Harper Collins Publishers.
- Lam, T. K.P. (2002). Making sense of SERVQUAL's dimensions to the Chinese customers in Macau. *Journal of Market-Focused Management*, 5, 43-58.
- Onyemah, V. (2008). Role ambiguity, role conflict, and performance: Empirical evidence of an inverted-u relationship. *Journal of Personal Selling & Sales Management*, Volume 28, No. 3, 299-313.
- Parasuraman, A., Zeithmal, V. A., & Berry, L. (1985). A conceptual model of service quality and its implication for future research. *Journal of Marketing*, Fall 1985, 41-50.
- Parasurman, A., Zeithmal, V. A., & Berry, L. (1988). SERVQUAL: A multiple-item scale for measuring customer perceptions of service quality. *Journal of Retailing*, Spring 1988, 12-40.
- Palmer, A & Cole, C. (1995). *Service marketing: Principles and practice*. Englewood Cliffs, NJ: Prentice-Hall.
- Pakdil, F & Harwood, T. N. (2005). Patient satisfaction in a preoperative assessment clinic: An analysis using SERVQUAL dimensions. *Total Quality Management & Business Excellence*, Volume 16, 15-30.
- Riechheld, F & Sasser, E. W., Jr. (1990). Zero defection: Quality come to service. *Harvard Business Review*, Vol. 68(Sep/Oct), 105-111.
- Rebledo, M. A. (2001). Measuring and managing service quality: Integrating customer expectation. *Managing Service Quality*, Vol. 11, No. 1, 22-31.
- Rizzo, J. R., House, R. J. & Lirtzman, S. L. (1970). Role conflict and ambiguity in complex organization. *Administrative Science Quarterly*, 15 (2), 150-163.
- Schuler, R. S., Aldag, R. J. & Brief, A. P. (1977). Role conflict and ambiguity: A scale analysis. *Organizational Behavior and Human Performance*, 20, 111-128.
- Teas, R. K. (1993). Expectation, performance evaluation, and consumers' perceptions of quality. *Journal of Marketing*, (57), Oct, 18-34
- Wang, Y & Chen, T. Y. (2007). Examining the difference between consumers and sales in the cognitive perceptions toward service quality: A case study of ING Insurance Corporation in Tai-Chung's area, Unpublished paper, insurance department, Chaoyang University of Technology, Tai-Chung, Taiwan.
- Zeithmal, V. A., Berry, L. L. & Parasurama, A. (1996). The behavioral consequences of service quality. *Journal of Marketing*, 60, 2, 31-46

