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Targeted and perceived service quality

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Abstract
Purpose: This paper provides an extensive critical literature review aiming to present and discuss models and methods of how the perceived service quality has been and should be studied and handled, with special emphasis on the hospitality sector.
Methods: Through secondary research, the main body of literature on perceived service quality was identified. Articles were initially categorised and clustered in different themes (according to their focus), and subsequently were compared and contrasted in terms of their suggestions and findings, critically highlighting similarities or significant differences.
Results: The main clusters of literature on perceived service quality in the hospitality sector identify, include the following: targeted service quality, delivered service quality, pxpected service quality, perecieved quality, overall service quality, transaction-specific service quality, and attitudinal perception of service quality.
Implications: Findings support both academia and industry practitioners, by providing an extensive review of the service quality literature in relation to hospitality industry, by summarizing and critically examining landmark studies that can be used as benchmarks for further research or for industry practitioners’ daily operations and/or company strategies.

Keywords: perceived service quality, ServPerf, ServQual

JEL Classification: L8, O14

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1 INTRODUCTION

The studies performed in service quality field show that the service quality is in relation with the performance of the business (Boulding, Staelin, Kalra, & Zeithaml, 1993; Zeithaml, Berry, & Parasuraman, 1996) and customer satisfaction (Cronin & Taylor, 1992; Oliver, 1993; Taylor & Baker, 1994; Nella & Christou, 2000, 2016).

Although the researchers aren’t of one mind on relation of causality between the service quality and satisfaction, it is possible to mention that they are of one mind on service quality has precedence on satisfaction, namely the service quality determines the satisfaction level (Dursun & Cerci, 2004, p. 4). It is seen that the service quality is an indispensable factor in satisfaction level of the customers and in measuring the success of the service businesses.

Question coming after that stage is which side of the service quality measurement should be measured, such as perceived or expected quality, or difference of these two.

In measurement of service quality when difference between expectation and perception is taken in hand, another question arises, that is which "expectation" would be considered. There are various researches showing different expectation types such as "desired" and "sufficient" expectations of the customers (Nadiri & Hussain, 2005, p. 469-480). Studies, explaining that customers cannot make discrimination between different expectation types, are also added to this (Carauana, Ewing & Ramaseshan, 2000).

In addition to those studies, as comparison we are confronting that the customers are using four different expectation types like desired, anticipated, deserved and adequate. (Yoon & Ekinci, 2003, s. 3-23)

In the field literature briefly the bought product’s personal evaluation is seen for perception (Parasuraman, Zeithaml, & Berry, 1985, s. 41-50). According to Solomon (2004) interpretation of feeling by arranging with extensions of previous experiences etc. after becoming a feeling upon rapid reactions of sense organs to the stimulants (Solomon, 2004, p. 49).
Our perceptions are established on sensations. Whereas sensation is required for realization of perception, sensation isn’t sufficient alone. Sensations includes raw information in relation with the stimulant. Perception is a process of organizing and interpretation together with creating significant completions with those raw information, creating and classifying stimulant patterns (Odabasi & Baris, 2006, s. 128). Perception process is a complex process starting with sensation and in relation with other cognitive processes such as life, attitude, bias, expectation, culture (Ceylan & Bekci, 2012, s. 36). Because of that “same stimulant may have different perceptions on different persons” (Guney, 2006, p. 121).

Different perception of the same service by an employee and a customer basis on that and it is the main problem to be emphasized.

2 LITERATURE REVIEW

2.1 Service

Kotler (2012) mentions the importance of service as “All businesses must be service business. A customer who buys a product in fact buys the service he expects from that product. There is a service rendered by each product. Automobile renders transportation; a bar of soap renders cleaning service; a book renders information and education” (Kotler, 2012, s. 292).

When definitions in the recent past are considered, service definition of Monsk (1982) is as “a product, not perceptibly hand-held, providing a value to the buyer at the moment it is produced” (Monsk, 1982, p. 587). Stanton defined in 1984 as “abstract activities those can be described separately, offered in order to meet needs/requests independent from product/good sale” (Stanton, 1984, p. 676). In the year 1985 Parasuraman, Zeithaml and Berry defined the services as “economical activities providing benefit from the points of time, benefit, space and emotion” (Parasuraman, Zeithaml, & Berry, 1985, p. 44). Service is a cycle of activity formed at the time of interaction between physical resources of service worker and service provider and brought as a solution to the problems of the customer (Grönroos, 1990, p. 37). In parallel with the human development, importance of service concept has increased day by day within the course of history and it became impossible to evaluate, think a product which is a physical commodity apart from service. Definition made by Palmer in 1994 is as “benefits cannot be hand-held provided by business/establishment or person to the customers” (Palmer, 1994, p. 91). Goetsch and Davis have made definition of service as “making work for another one” (Goetsch & Davis, 1998, p. 104). Also in 1999 this time Smith, Bolton and Wagner made a different definition as “any kind of product which is not physical” (Smith, Bolton, & Wagner, 1999, p. 357).

Time that is rather important for human and action is an abstract concept. It was only Parasuraman et al. (1985) who emphasized time when giving the service definitions. When we add time to force in science we obtain either change or movement. Energy is the capacity to perform work or capability to create change. In this extension the designer, worker, coder, real producer of the service man’s capacity to perform work or capability to create change must be combined with time. Then the service can be defined as activities, necessitating human energy and time, causing abstract change as a result. In this definition it is required to highlight that the time and energy are abstract concepts, the only tangible concept is the human.

2.2 Quality

Quality came into prominence together with the industrial revolution and serial production. Toyota showed to the world where the quality might be taken with plain production where importance is given to quality from beginning to end (Womack, Jones, & Roos, 1990). Within this context Tütüncü interpreted definition summary of Feigenbaum as “customer satisfaction with the minimum cost” (Tutuncu, 2013; Küçükalın & Pirnar, 2016). In fact Feigenbaum outlined the situation of considering quality from beginning to end/integrally as target in his definition. Definition of Feigenbaum; Quality is the target within continuous competition environment even it is dependent to real experiences with regards to the physical product or service, both functional and subjective, and certain or only pervasive (Feigenbaum, 1991). This definition valid either in product production which is a physical commodity or product production which is a service. When different definitions are taken into consideration, concepts such as conformance with purpose and requirements taken on the center come into prominence with regards to the quality. Some of those definitions are compiled as in Table 1.

<table>
<thead>
<tr>
<th>Researcher</th>
<th>Definition/Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun &amp;</td>
<td>Conformity with use</td>
</tr>
<tr>
<td>Deming</td>
<td>Providing service with the purpose of enabling customer satisfaction after service, direct proportionality with the purpose</td>
</tr>
<tr>
<td>Ishikawa</td>
<td>Meeting the expectations with the features expected from the product, not specific</td>
</tr>
<tr>
<td>Crosby</td>
<td>Conformance with request and requirements</td>
</tr>
<tr>
<td>Garvin</td>
<td>Not specific</td>
</tr>
<tr>
<td>Feigenbaum</td>
<td>Value, minimum cost customer satisfaction</td>
</tr>
<tr>
<td>Taguchi</td>
<td>Not specific</td>
</tr>
<tr>
<td>Leviitt</td>
<td>Conformity with the specifications</td>
</tr>
</tbody>
</table>

Source: Tütüncü, 2013

Although being standardized but not subjective is comprehended as valid for a product that is a physical commodity, there is an obligation to be standardized for the product that is a service. When conclusion of quality is comprehended as customer satisfaction and subjectivity of the service is considered, standardization of each service specific to customer should be mentioned. Namely it is the subject prioritized by Industry 4.0 for physical commodity.

2.3 Service quality

Patterson and Smith (2003) evaluated service quality from the point of marketing of businesses as a criteria with strategical importance in global economy due to increasing competitiveness, change in expectations (Patterson & Smith, 2003, s. 108). Studies on the profitability started in the 1980’s is in connection with the service quality ensured drawing
attention on the service quality for putting forward in competition (Patterson & Smith, 2003, s. 108).

The service quality is one of the subjects researched intensely since the service range in literature. It is possible to understand this through different studies compiled by various researchers. While some researchers compile measurement methods of service quality and developed scales, some of them compared these scales, some of them only compiled service quality researches made on a specific sector (Bulgan & Gurdal, 2005; Bulbul & Demirer, 2008; Dolnicar, 2007; Pizam, Shapoval, & Taylor, 2016). Assessment of quality covers not only the result of the service but also the process of providing service (Ekiz, Hussain, & Koker, 2012, s. 51). Parasuraman et al. defines as meeting the requests and needs of the customer and exceeding them as well as meeting (Parasuraman, Zeithaml, & Berry, 1988, p. 17).

Zeithaml et al, 1996 renewed their definition as "what service means for the consumers and difference between expectation and comprehension of the consumer from product or service". In general meaning people display three different component of attitude against a warning or an object. Cognitive, affective and behavioral. Cognitive concerns with what we know, affective with what we feel and behavioral with what we are planning (Chiu & Wu, 2002; Christou, 2002). Differences between cognitive service quality and affective service quality are revealed in various studies (Bagozzi, Gopinath, & Nyer, 1999; Chiu & Wu, 2002). When referring to service quality, differences between these cognitive and affective are emphasized in the definitions.

2.4 Perceived service quality

We obtain image when we add reputation to the corporate identity namely the shape drawn by the business itself. When reputation is added to the customer expectations, the perceived service quality changes in direct proportion. According to Garvin, reputation is main component of the perceived service quality (Garvin, 1987)

Grönroos, divides definition on service quality differently to two as technical and functional quality. He explained what the customer bought for technical quality and how the customer bought for functional quality (Grönroos, 1984). It is possible to submit this definition as an evidence for necessity to define the service quality and perceived service quality by seperating. The most referenced definition from studies of Parasuraman et al. (1988) is strength and direction of the difference between the customer expectations and perceptions are the definitions of the perceived quality (Parasuraman, Zeithaml, & Berry, 1988). The definition updated by Zeithaml et al. (1990) the perceived service quality as "general opinion or attitude towards superiority of service" (Zeithaml, Parasuraman, & Berry, 1990)

2.5 Measurement of service quality perceived

Quality is rather effective on purchasing decisions of the customers. Thus it is indispensable in evaluation of service quality. Because, "An unmeasured quality is not a system but a slogan" (Parasuraman et al., 1985, p. 42). Barlow and Moller name direct statement of dissatisfaction by the customers as complaint (Barlow & Moller, 2009, p. 27) It is hard to understand quality and it is rather complex to distinguish its dimensions (Parasuraman, Zeithaml, & Berry, 1988, p. 12-40). Customers cannot exactly explain the quality concept and they explain the questions with regards to the quality through the complaints. (Bulgan & Gurdal, 2005, s. 241). The thing separating success and failure of institutions is how the complaints from the customers is used towards change (Christou, 2003; Zemke & Anderson, 2007; Chatzigeorgiou et al., 2009, 2016, 2019). In some researches, it is shown that consumers who aren't satisfied do not make anything at a rate of 60%–70% (Andreassen T. W., 2000, p. 156-175). At the same time, some researches show that the companies couldn’t take feedbacks from 96 percent of the unsatisfied consumers (Plymire, 1991, p. 40). Thus most of the time the companies can learn very few part of the problems from the customer complaints (Plymire, 1991, p. 40). Expectations of the customers are at the highest level within the process passed today and the customers demand so many services that have never been before. However they do not state their expectations clearly (Heppel, 2010, p. 11). It is clear that the complaint rates will not be at a level to ensure development after the said statistics. Against the fact that these complaints have increased with the increase of digital medium such as social media, reliability of complaints on those mediums is also undecided. Thus ensuring sustainability and development of quality in service is only possible with effective and periodical measurements.

All those requirements; measurement of service like the concept of the service can change according to the subjectivity of the customer acting as an intermediary to the measurement. Therefore scales developed on this issue are pretty much. Those scales have been developed to measure general service quality in the presence of consumer, afterwards scales detailed within own scope according to the sector and subject are developed. Service quality scales used up to the present are given in Table 2.

2.6 Servqual

Servqual is a model comparing customer expectations and perception in service presentation developed by Parasuraman
et al. Direction and strength of the difference between expectation and perception can be evaluated with this model (Parasuraman, et al., 1985, p. 46).

The scale mostly used in literature has been Servqual developed by Parasuraman et al. (1985) (Parasuraman, Zeithaml, & Berry, 1985). Although Servqual has been researched over the years, it served as center stone. Latter studies are subjectification studies according to the sector performed by adding - subtracting to and from this study. Some of those studies are Servperf, Ecoserve, Rentqual, Sericsat, Festperf, DineServ, Servpal, Holsat developed within the last 30 years (Pizam, Shapoval, & Taylor, 2016, p. 2-35).

### Table 2. Measurement models of service quality

<table>
<thead>
<tr>
<th>Researcher</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gremling, 1984</td>
<td>Technical and Functional Quality Model</td>
</tr>
<tr>
<td>Parasuraman, Zeithaml, and Berry, 1985</td>
<td>Gap Model SERVQUAL</td>
</tr>
<tr>
<td>Haywood and Farmer, 1988</td>
<td>Subdimension and Feature Service Quality Model</td>
</tr>
<tr>
<td>Brogovich, Delone and Lyth, 1990</td>
<td>Service Quality Synthesis Model</td>
</tr>
<tr>
<td>Cronin and Taylor, 1992</td>
<td>SERVPERF - Performance Based Model</td>
</tr>
<tr>
<td>Mattson, 1992</td>
<td>Service Quality Ideal Value Model</td>
</tr>
<tr>
<td>Teas, 1993</td>
<td>Performance Evaluation and Standard Quality</td>
</tr>
<tr>
<td>Berkley and Gupta, 1994</td>
<td>Information Technology Alignment Model</td>
</tr>
<tr>
<td>Doholikar, 1996</td>
<td>Feature and General Effect Model</td>
</tr>
<tr>
<td>Spreng and Mackay, 1996</td>
<td>Perceived Service Quality and Satisfaction Model</td>
</tr>
<tr>
<td>Philp and Harlet, 1997</td>
<td>P.C.P - Pivotal, Core and Peripheral Attribute Model</td>
</tr>
<tr>
<td>Sweeney, Souart and Johnson, 1997</td>
<td>Retail Service Quality and Perceived Value</td>
</tr>
<tr>
<td>Oh, 1999</td>
<td>Service Quality, Consumer Value and Satisfaction</td>
</tr>
<tr>
<td>Doholikar, 2000</td>
<td>Previous Effects and Intermediate Factors Models</td>
</tr>
<tr>
<td>Frost and Kumar, 2000</td>
<td>Internal Service Quality Model</td>
</tr>
<tr>
<td>Sotirio and Stavrinides, 2002</td>
<td>Internal Service Quality Data Envelopment Analysis Model</td>
</tr>
<tr>
<td>Broderick and Vachinapenupak, 2002</td>
<td>Internet Banking Model</td>
</tr>
<tr>
<td>Zhu, Wyner and Chen, 2002</td>
<td>Information Technologies Based Model</td>
</tr>
<tr>
<td>Santos, 2003</td>
<td>e-S-Quality Service Model</td>
</tr>
<tr>
<td>Parasuraman, Zeithaml and Malhotra</td>
<td>E-SQUAL</td>
</tr>
</tbody>
</table>

Source: Eliner & Kille (2007).

Servqual Model of Parasuraman et al (1985) encountered with criticisms despite of its popularity (Hussey, 1999, Babakus and Boller, 1992; Carman, 1990; Cronin and Taylor, 1992; Mensah & Mensah, 2018). The most important of the criticisms is its dimensions are inadequate to make generalization (Carman, 1990), thus its representative power is insufficient in some service sectors (Hassan et al., 2018; Sigala & Christou, 2002, 2007; Babakus and Boller, 1992) and it represents that the perceived service quality should be measured only with the performance of the service received not as expectation and perception difference. Parasuraman et al. (1985) defended through the studies they performed that the measurement difference between expectation and perception form the service quality. They mentioned from five gaps and asserted that the fifth covers the others. However Servqual only measures the last gap, in other words it deals with what customer found while what is expected and takes the situation of the gap between those two. In short it is only relevant with the customer front and customer. However it doesn't consider whether the business management perceived the customer expectations correctly or not and if they designed and applied the perceived part correctly. All of them are analyzed by combining. This situation is in contradiction with what they defend. Or all measurement requirements are not mentioned by preparing a form for each gap (Valachis et al., 2009; Fotiadis & Vassiliadis, 2016). In fact five different studies corresponding to each gap and their combinations must narrate the service quality of their combinations. Moreover form application timing is simultaneous. Expectations aren't asked before the service and perceptions aren't asked to the same person after the service, they are applied on the same form at the same time and in general after the service is rendered. And this may put the reliability into suspicion. Besides the question in expectations such as "perfect service must be ..." or "my expectation on ..." are asked to the person who bought in likert type. Expectations are high so that its price is paid.

### 2.7 Servperf

Servperf model defends that service quality would be measured by only measuring the service performance. Performance is powerful and effective in revealing the customer satisfaction. Consumption experience/culture is fed from the sales target performances of the business. In order to determine the satisfaction, utilizing from the performance seems more practical and like the fundamental of human learning process. The customer takes the experience lived into consideration to decide on the satisfaction (Yuksel & Rimmington, 1998, s. 60-70). Ghabadian Speller and Jones (1994) has determination on this subject as “the perceived quality is the senses and thoughts with regards to the service quality received/obtained. It determines the satisfaction level of the customer.” (Ghabadian, Speller, & Jones, 1994, p. 43-66).

Cronin and Taylor (1992) asserted that Servqual had compared expectations and performance instead of measuring performance of the business with personal attitude and that it was complex to measure the service quality. Furthermore it is not correct to work with Servqual if the customers do not have an expectation or don't know what to expect. (Spyridou, 2017; Christou, et al., 2004; Cronin & Taylor, 1992). As a defense against this situation Parasuraman et al. (1994) asserted that Servqual put more rich results (Parasuraman, et al. 1994). On the other hand, Servperf developers defended that different information would be obtained by researchers, with periodical measurements guiding to time and certain customer groups by benefiting from regression analysis (Cronin & Taylor, 1994). Servperf which only measures performance according to Cronin and Taylor (1992,1994), is better than Servqual measuring expectation and perception difference. Namely it means the perceived service quality is as much high as the perceived performance (Jain & Gupta, 2004, p. 28).
3 DISCUSSION

In measurement of service quality (Servqual), with expectation-perception difference (Servperf) researches making comparison are performed (Babakus and Boller 1992, Boulding et al. 1993, Brady, Cronin, 2001; Cronin and Taylor 1994; Jain and Gupta, 2004; Oliver 1993). In the researches performed, results supporting that Servperf is superior to Servqual in measurement of service quality are revealed. In the comparative study made by Yildiz and Erdil (2013) on airline, they concluded that Serperf explained 90.395% of the perceived service quality and Servqual explained 64.454% of the perceived service quality (Yildiz & Erdil, 2013, p. 89-100). Elliot (1994) who made another on of the comparison mentioned that measuring service quality with Servperf is more superior (Elliot, 1994, p. 59). Bulbul and Demirer (2008) who made another comparison found reliability of especially the sub-dimensions higher and from the point of sub-dimensions they mentioned that Servperf is more superior than Servqual in explaining the changes in service quality (Bulbul & Demirer, 2008, s. 194). Moreover, since measuring only the customer perceptions is practical and easy, Servperf was supported much more (Babakus and Boller, 1992, p.253-268). In measurement of service quality only evaluation of the given service-performance came into prominence not expectation-perception difference.

4 CONCLUSIONS AND SUGGESTIONS

In a research made in New Zealand, it is aimed to determine what factors are effective in selection of hotels for the customers making business trips and the importance levels of those factors (Nash, Thyne, & Davies, 2006, p. 530). Customers and managers making business trips mentioned that the most important feature effective in hotel preference is cleanliness of hotel. Those customers selected bathroom and shower quality secondarily, repair-maintenance norms of bedroom thirdly and pillow and mattress comfort thirdly. Managers selected at first polite and respectful staff, then they selected eager and responsible staff option. It was revealed that hotel business managers do not have information on what the customer demands are because of important differences between two groups in the features hierarchy. The issue exactly given at this point is the main issue of this study. There are some factors effecting the perceived service other than the realized service. Those are; first encountering of the service provider and the served, physical situation, reputation, image and brand, price, value and satisfaction that the customer believe he will receive when the service is provided (Bitner, 1993; Crane & Clarke, 1989; Grönroos, 1990; Johnson & Zinkhan, 1991; Keller, 1993; Christou & Karamandidis, 1999; Christou & Nella, 2016). The business provides the service quality targeted, service is provided according to the degree of influence of some abstract variables when rendering the service. Perception and interpretation of the realized service by the customer within his own subjective is called the perceived service quality. How the corporate identity concept on the business side is an image on the customer side and assumed into a different concept, the service quality and perceived service quality are different concepts according to the party. The service quality seem on the business side and replaced the corporate identity; is the stairs where the steps are combined on the road of vision tried to be reached by the business. Namely it is possible to conceptualize the targeted service quality for the service quality on the business side. It would be accurate to summarize the efforts to define perceived service quality by visualizing as in Figure 2.

Figure 2. Reactions within the scope of dissatisfaction and complaint

Response to the question "What is service quality?" should be first according to whom and what? According to the business, before the service; Targeted service quality; is at the most upper point required by the ideal way drawn in reaching vision of the business and by the sectoral standardization. According to the business, after the service; Delivered service quality; is realization of service delivery by interpreting degree of influence of some abstract variables during the delivery of the service and targeted service quality perception, cognitive and affective attitude of this perception of the service provider. According to the customer, before the service; Expected service quality; is all of the expectations about the service taken by the customer during and at the end of the service delivery process in line with the subjective past, personal needs/requests and communication, advertisement, promotion etc. extensions with regards to the business. According to the customer, after the service; Perceived service quality; is customer's interpretation of the service received within the scope of cognitive and affective attitude of the customer in addition to the expected service quality and developing behavioral attitude against the business in the sequel.

\[
\frac{\text{Targeted Service Quality}}{\text{Delivered Service Quality}} \leq \frac{\text{Expected Service Quality}}{\text{Perceived Service Quality}}
\]

Definitions made widely from the point of the customer are widespread. Because of this it is explained frequently by emphasizing the difference between the expectation and perception. In fact the service quality is producer's target and presentation to be equal or smaller to or than the consumer's expectation and perception. Because of the explained reasons and the difficulties in making researches today, service quality expected by the
customer cannot be measured. In the same way quality of the delivered service shouldn't be measured from the point of business since it would be both close to the perceived and since it has measurement difficulties. In such case, on the business side, the targeted service quality measurement must accompany to the perceived service quality of which measurement is indispensable.

4.1 Targeted Service Quality ≤ Perceived Service Quality
So that when the customer's perception pulse is kept, also the perception pulse of business perception and target updates will be kept. If it is illustrated in hotel businesses, it must be measured whether all senior management and department managers are within the same target or not with the suggestions measuring perception of the customer through Servqual in reaching the service quality they targeted. This will also reveal the consistency of the management in itself and the quality of in-service training.

Businesses giving importance to service quality must be consistent firstly in itself, they should achieve to provide the same quality targeted with each one of the employees. Then they should compare whether they are the same with their targets or not which they had perceived by the customers, in this way they should develop and update themselves. The targeted service quality should be tested by measuring Servqual, in case of need a new scale should be developed for the targeted service quality.

REFERENCES