Re-thinking the conceptualization of customer value and service quality within the service-profit chain

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Abstract

Purpose – To provide an alternative view of customer value and service quality as conceptualized in the service-profit chain.

Design/methodology/approach – A survey of the vast and diverse literature on the concepts of value and quality is used to reconceptualize these constructs as they are used in the service-profit chain. The concept of intrinsic value and quality is proposed as an addition to the extrinsic value and quality concepts already apparent in the chain.

Findings – The service-profit chain is based on the premise that profitability to a firm derives from customer satisfaction and loyalty, which, in turn, are derived from a customer’s sense of value received. This value, it is argued, is calculated with reference to the perceived quality of what is received, balanced against the aggregated costs to the customer of availing themselves of the service. This paper questions the sufficiency of the assumption that value offered to a customer resides solely in the customer’s perception of what has been experienced in and through the service encounter. Correspondingly, it is argued that value to the customer may reside also in intrinsic qualities or attributes of a service.

Originality/value – The idea of value and quality being built into a service offering (intrinsic) has value for both practising service managers and academic researchers. Several avenues for future investigation are posited.

Keywords Service quality assurance, Profit, Customer satisfaction

Paper type Conceptual paper

Introduction

The service-profit chain developed and modelled by Heskett et al. (1997) is based on the premise that profitability to a firm derives from customer satisfaction and loyalty which, in turn, are derived from a customer’s sense of value received, and the capability, productivity, satisfaction and loyalty of employees. The customer’s sense of value, they argue, is an equation calculated with reference to the perceived quality of results received and the perceived quality of how these have been delivered, balanced against the aggregated costs to the customer of availing themselves of the service. In this model the definition of service quality, and therefore the conceptualization of
customer value, is grounded in the work of Parasuraman, Zeithaml and Berry (1985 and 1988) which posits that service quality is determined by the customer, not the service provider. In other words, service quality is an extrinsically perceived attribution based on the customer’s experience in and through the service encounter.

While not disputing the validity of the customer’s experience and perception of quality received, this is only one perspective. As a consequence, the customer value equation formulated by Heskett et al. also does not appear to accommodate sufficiently the place that intrinsic qualities or attributes of a service may have in value offered to a customer. By this we mean properties that are intrinsic to the design of what is offered and how, and that consequently serve to define and shape what is provided to, and experienced by, the customer, but which may not be immediately observable to, or capable of being appreciated by, a customer. In this paper we question and discuss this issue, and argue a case for accommodating intrinsic quality and value more explicitly in the service-profit chain framework.

The paper is constituted of four main sections. We begin by contextualizing the discussion and, more particularly, explaining the conceptualization of customer value contained in the Service–Profit Chain framework, and grounds that underpin this. From this we review the concept of customer value from different perspectives and highlight the distinction between intrinsic or residential value and extrinsic or relational value. In so doing we do not consider the value of a customer to a firm but, rather, the concept of value offered to a customer. From this our argument develops and we conclude by proposing a modification to the service-profit chain framework that we believe accommodates what we have argued.

**Customer value in the service-profit chain framework**

Illustrated below in Figure 1, the service-profit chain framework developed by Heskett et al. (1997) proposes that customer satisfaction (CS), loyalty (L) and profitability (P) to a firm derive from what they term the customer value equation. This, it is argued, is assessed by a customer with reference to results produced, process quality, and the price and other costs to the customer of acquiring this. For the sake of convenience here we represent this as: \[[\text{Outcomes} + \text{Process Quality (SQ)}]/[\text{Price} + \text{Costs}] = \text{CVCS} \rightarrow \text{CL} \rightarrow \text{P} \].

![Figure 1. Elements of the service-profit chain](source: Heskett et al. (1997, p.12))
This implies that CV is an antecedent of customer satisfaction and loyalty, and that a
customer’s perception or assessment of value forms an equation that is comprised of
three main elements: results produced and received, in relation to the price and other
related costs incurred by the customer in acquiring the product or service. The concept
of results produced implies the quality of processes employed to deliver these and, in
the particular case of service provision, this implies the quality of service provision
observable to, or capable of being perceived by, a customer.

This conceptualization rests on at least two key assumptions or premises with
which we are concerned here. First, that value to the customer resides solely in their
perception of this. In what follows we refer to this as customer perceived value (CPV).
Second, that this perception of value is grounded in the customer’s perception of the
quality of what has been provided and how. We refer to this as customer perceived
service quality (CPSQ). This is consistent with the position taken by Parasuraman et al.
(1988) who argue that perceived service [process] quality is determined by five main
factors (reliability, assurance, empathy, responsiveness and tangible evidence)
experienced in the course of the personal service encounter. Thus what is proposed
by Heskett et al. (1997) seems to imply that the impact of perceived process quality,
along with results produced, is on the customer’s assessment of value received which,
in turn, impacts on customer satisfaction. This is an argument that appears to be
supported by research of others (Bolton and Drew, 1991; Cronin et al., 2000).

Customer-perceived value
The view that value offered and received resides in a customer’s assessment of this is
not new and is widely shared (Zeithaml, 1988; Day, 1990; Bolton and Drew, 1991;
Anderson et al., 1993; Grönroos, 1996; Woodruff and Gardial, 1996; Woodruff, 1997,
Anderson and Narus, 1998; Eggert and Ulaga, 2002). Zeithaml (1988), for example, has
argued that, from the perspective of a customer, “… perceived value is the customer’s
overall assessment of the utility of a product based on perceptions of what is received
and what is given”. In other words, the customer’s perception of value offered and
received is a subjective judgement based on a personal evaluation of the trade-off
between perceived benefits versus perceived costs. This is the view adopted by
Heskett, Sasser and Schlesinger in their service-profit chain framework.

This, however, is but one view of value, and it has been observed that “… the value
concept is multifaceted and complicated by numerous interpretations, biases and
emphases” (Huber et al., 2001). Value, for example, has also been defined as something
intrinsic to the design of what is offered and how this is managed (Richardson and
Gartner, 1999; Naumann, 1995; Gale, 1994; Meredith et al., 1994; Band, 1991). This is a
viewpoint to which we will return. For the present, however, it bears commenting on
the correspondence between the definitions of customer perceived value and customer
perceived service quality, for both are implicit in the service-profit chain framework.

Customer-perceived service quality
Arguably the most commonly accepted definition of service quality (SQ) is that
formulated and tested through research by Parasuraman, Zeithaml and Berry (1985
and 1988) and Zeithaml et al. (1990). Acknowledging related work of others (Grönroos,
1982; Churchill and Surprenant, 1982; Smith and Houston, 1982; Lewis and Booms,
1983), Parasuraman et al. hold that SQ is defined by the customer with reference to how well the service delivered and perceived matches their expectations.

Others, however, argue that a distinction can be made between quality subjectively perceived and objective quality that is embedded in what is offered and can be shown to be comparatively superior with reference to some ideal standard (Crosby, 1979; Curry and Faulds, 1986; Garvin, 1988; Day, 1990; Brown, 1999). In other words, quality may be said to be intrinsic to an object, as well as an extrinsic attribution. This view is reflected, to some extent, in the work of those who have argued that quality perceived by a customer has at least two dimensions: technical (the received outcome) and functional (how the service has been delivered) (Grönroos, 1982, 1984; Lehtinen and Lehtinen, 1982 and 1991; Rust and Oliver, 1994; Brady and Cronin, 2001). That said, there is as yet no general agreement on this, and the intrinsic grounds of both technical and functional quality remain to be established. This notwithstanding, the predominant prevailing view of SQ remains that espoused by Parasuraman et al. which we have briefly described above, and it is this view that is adopted and accommodated within Heskett et al’s service-profit chain framework.

Our aim here is not to challenge or dispute the concept and place of extrinsically assessed and attributed service quality. We do, however, question whether this is sufficient to defining value provided to a customer. Correspondingly, we suggest that this value offered may also reside in, and therefore be attributable to, intrinsic (functional) qualities of service design that serve to determine and shape what is provided to, and experienced by, the customer, and that therefore provide the grounds for that what is ultimately perceived and assessed by the customer as the technical quality of service provision.

Nor do we question the proposition, supported by research, that the customer’s perception and assessment of what they have received impacts on their sense of satisfaction and predisposition to repeat patronage of, and loyalty to, that service provider. The relationships between service quality, customer satisfaction, customer retention and profitability appear to have been established in a variety of different research studies (Payne et al., 2000 and 2001; Loveman and Heskett, 1999; Loveman, 1998; Reichheld, 1996; Reichheld and Sasser, 1990). Yet, despite these persuasive findings, a question remains as to whether customer satisfaction, loyalty and retention, profitable or otherwise, derive solely and directly as a consequence of the perceived quality of service provision alone – that is, only the customer’s perception and value judgement of what is offered and how.

As a consequence, we question whether the conceptualization of CPSQ and CPV adopted in the service-profit chain framework is necessarily sufficient to the end of defining value offered to a customer and assessing the role that this plays in customer satisfaction and retention. That is, does value offered and received reside only in the observable quality of service provision as perceived by the customer, and might customer satisfaction and loyalty also be potentially grounded in more than their perceptions alone, with reference only to what is immediately observable and comprehensible?

**The concept of intrinsic value**

Shillito and De Marle (1992) argue that value can be defined or interpreted in one of four main ways: exchange value, intrinsic value, use value and utilitarian value. The
first two are object-based and the latter two are subject-based. The conceptualization of customer value implicit in the service-profit chain model (Heskett et al., 1997) appears to be based largely, if not exclusively, on what Shillito and De Marle conceptualize as use and utilitarian value, and appears to exclude, or at least not take full account of, the idea of intrinsic and exchange value. In other words, value in the service-profit chain framework is exclusively subject-based and does not appear to recognize or allow for value that may be object-based. This has the effect of defining the value of what is offered with reference only to what is perceived and comprehended by the customer with reference to the price and costs associated with this. This position is grounded in the premise that service quality is not an intrinsic property but, rather, is an attribute extrinsically determined only by the customer.

Yet this seems to be at odds with the not inconsiderable body of marketing and other opinion that regards both quality and value as intrinsic object-based properties (Dodds, 1999; Walters, 1999; Gale, 1994; Walters and Lancaster, 1999; Garvin, 1983; Crosby, 1979) that exist a priori or ex ante to the service encounter. These same properties may well determine what is provided and how, and thereby impact indirectly on the customer’s experience and personal assessment of this, but they also serve to define and distinguish the value offering or value proposition ex ante to the process of customer assessment.

As Holbrook (1994) has pointed out, different approaches to defining value can be characterized as existing along a continuum anchored by two extremes: extreme subjectivism and extreme objectivism. In the case of the former, it is held that value (like beauty) is entirely dependent on individual assessment of what is experienced (Perry, 1954; Moore, 1957; Osborne, 1933; Wolff, 1986). Consistent with this position is the belief that value defined represents a personal preference formed as a consequence of interaction between a subject and an object, and with reference to other comparable objects. By contrast, extreme objectivism holds that value is intrinsic or innate to an object and therefore exists a priori to the process of valuation (Osborne, 1933; Lewis, 1946; Hartman, 1967; Frondizi, 1971; Adler, 1981). Possibly the answer to the question at the heart of this paper lies somewhere between these two extreme positions, and in a form whereby both subject and object are involved. Thus value to the customer may be defined in a way that is both intrinsic and extrinsic to the offering: intrinsic in the sense that value may, or may not, be designed and “engineered” into the offering, and extrinsic in the sense employed by Heskett et al. (1997) that it is a value equation performed by the customer. Two examples will serve to illustrate this possibility.

Example 1: Grand opera
Recently Wagner’s complete Ring cycle was staged in Adelaide to critical acclaim. This acclaim was equally shared by professional critics, the musical intelligentsia, opera lovers and Wagnerian acolytes who more than willingly paid the ticket price that was beyond the reach of most. The grounds for this acclaim resided, reportedly, in many features of the production including its highly innovative stage design, setting and mechanics, as well as the quality of musicianship and vocal talent, and the overall artistic vision and direction. As a consequence, the results produced, and the process by which they were produced, were reportedly deemed by those who attended to be of inestimable value, despite the high ticket price and personal costs associated with attending – particularly for those who travelled great distances to attend. All of this
serves to support what is proposed in the Heskett et al. (1997) service-profit chain. Yet it also serves to demonstrate a factor not explicitly recognized in this model: the widely recognized intrinsic or residential value of the operatic work itself and of those responsible for its realization, a value that is antecedent to the results produced, experienced and perceived, in different ways, by a wide range of people who attended the performance.

This value alone, however, does not necessarily guarantee those results. Numerous poor quality productions attempted around the world amply attest to this, but they do not detract from the recognized and agreed inherent value of the original work and, because of this, the value it offers one prepared and willing to discover and appreciate this value. By way of example, there would have been some who were precluded from attending the Adelaide performances, and for whom the value of what was anticipated or expected was severely mitigated by the costs of attending, yet for whom the intrinsic artistic value of the work and its performers remained no less in stature or regard. Thus, in this case, the acknowledged intrinsic artistic value of the work stands apart from the perceived value offered by attending this particular production of it.

Correspondingly, depending on the extent of one’s musical education, the intrinsic artistic value of the work may not have been wholly appreciated by some members of the audience otherwise delighted with their experience of the results produced and their assessment of value received. In other words, their satisfaction with the quality of the production (results produced + how), balanced against the costs of attending, represented value for them, but this perceived value may have included little or no reference to the intrinsic artistic value of the work. This, however, doesn’t necessarily mean that that intrinsic artistic value does not exist or is inestimable, or that it may play a part in a customer’s assessment of value received despite the possibility that a customer lacks the ability to fully appreciate this.

Example 2: Open heart surgery
Anyone who has required and successfully undergone open heart surgery is likely to value highly the beneficial outcome, as a result of the process and expertise invested in delivering this outcome. Arguably, the professional fees and associated costs directly related to this procedure are likely to have some bearing on the patient’s sense of value received, but if the alternative was the risk of a fatal cardiac arrest then the sense of financial impact may well be ameliorated by other psychological and emotional feelings. This notwithstanding, unless the patient has had relevant medical training or experience, or has gained some understanding of what is involved in becoming trained and qualified to perform open heart surgery, it is unlikely that they will either understand or be in a position to appreciate the intrinsic or residential quality and value of that ability and how it was developed. Their value assessment will be made, quite reasonably and justifiably, with reference to, inter alia, the results produced, the associated surgical and hospital processes and the costs associated with this. Their value assessment may also take into account the personal interaction with medical and other staff, but may understandably exclude any reference to, or appreciation of, the intrinsic quality, expertise and value of the surgeons and the medical procedure itself. Again, however, this extrinsic value assessment doesn’t necessarily mean that the intrinsic quality and value do not exist. It means only that the patient or customer may
not be capable of appreciating these intrinsic qualities and value. This circumstance is likely to be pronounced in the case of services that are high in credence attributes.

Each of these examples serves to illustrate and support the proposition that, in addition to an extrinsic value assessed by the recipient of a service, a service may also possess a variable but estimable degree of assessable and acknowledged intrinsic value or worth. This may or may not be observable or known to, fully understood or appreciated by, a customer – even a customer for whom that service has been expressly designed. This, however, is not explicitly recognized or accommodated within the service-profit chain conceptualization or within widely accepted definitions and determinants of service quality. This is not to denigrate these models and arguments but, rather, to posit that, by omitting to allow for the concept and presence of intrinsic value, they may be deficient in terms of fully accounting for the value of, and afforded by, one service as opposed to another. Uncertainty and ambiguity also surround the question of the role potentially played by this intrinsic value in the customer’s sense of value offered, and in what lies at the heart of their satisfaction with what they experience.

Reconciling the two perspectives on quality and value

According to Heskett et al. (1997), process quality – the “how” of service provision – is assessed by customers concomitantly with their assessment of results produced – the “what” of service provision. This position, however, rests on the assumption that service quality is a relative rather than absolute concept, determined only by a customer. Yet, as we have shown above, this ignores the objectivist position on quality. Correspondingly, Heskett et al. also propose that the customer’s assessment of the quality of what received and how is central to their assessment of value received. Yet because each customer values different things in different ways at different times, it is by no means certain that the proposed determinants of service quality can be relied upon to remain important in value judgments made between customers and service settings. Thus, if one or more of the accepted determinants of service quality is not valued by a customer, it remains only a determinant or attribute of service (process) quality. This, then, raises a question as to what, if any, factors beyond results produced and process quality may play a role in a customer’s assessment of perceived value.

What we have argued here rests on the premise that the quality and value of a service offering may be defined and assessed from at least two perspectives: that of the service provider and that of the customer. It may be argued that the former should reflect an understanding of, and adequate response to, the latter’s needs and expectations so that the two perspectives are congruent, and we do not question this. At the same time, however, we argue that the quality and value ultimately experienced and assessed by the customer has its genesis in decisions taken by a service provider relating to the quality or standard of what to provide, the place and means of service provision. In other words, the grounds for the customer’s assessment of quality and value reside intrinsically and a priori in decisions taken about the design of what is offered, where and how. In our view this concept of intrinsic quality and value is given credence by the presence of third party peer review and professional accreditation processes whose focus is more on intrinsic standards than on what is necessarily observable to the customer.
Foundation work done in the mid 1980s (Shostack, 1984) proposed that services, although intangible in nature, could be subjected to deconstruction and rigorous analysis. Shostack developed the concept of a service blueprint process to analyse service processes, help companies identify potential failure points, and understand and design the “front of house” and “backstage” elements of service provision from the customer’s perspective. Schlesinger and Heskett (1991) subsequently connected service design to service performance, noting that service failure is most often not accidental but, rather, an outcome of inadequate service design and management. As a corollary, exceptional service may be said to be grounded in exceptional service design and maintained by rigorous management practices. In other words, Shostack showed how it was possible to design or engineer the process of service provision in such a way that served to guarantee a pre-determined and prescribed intrinsic quality of service provision that serves to define and shape value offered to the customer.

By way of example, there would be many who would agree that most, if not all, fast food restaurants offer good value for money. The food (results produced) and the processes by which this is made available (process quality), compared with typical prices and costs of acquisition, place the offerings of these restaurants within the reach of most and enable people to satisfy their need for nourishment efficiently and quickly. As a consequence, the customer’s value equation is made with reference to the elements contained in Heskett et al’s service-profit chain framework. The results produced, and the internal systems and processes that enable this, imply also intrinsic “backstage” functions and attributes, as advocated by Shostack (1984), purposefully designed and maintained to achieve this, but which may be beyond the immediate comprehension or appreciation of a customer. These same intrinsic qualities or attributes, however, underpin the observable results produced and the observable processes by which they are. Therefore defining quality and value offered and received with reference only to the customer’s perception of this fails to take full account of the intrinsic value that resides in the design of what is offered and how. Correspondingly, the customer’s perception alone fails to accommodate the comparative and estimable value offered by, for example, five-star restaurants regardless of the predilection and wherewithal of individual customers to appreciate it. We acknowledge that part of the intrinsic value of what is offered and received will be manifest in customer service practices immediately observable to customers. Other elements of this intrinsic value, however, such as quality assurance standards governing the delivery and management of supplies, management of the kitchen, and the cleaning and upkeep of all public amenities, may not be readily apparent. Yet the managerial commitment to these and other similar standards and practices also contributes to the value created for a customer.

Service offerings and their provision imply at least three elements where the quality of what is offered may be purposefully pre-determined and designed: in the offering itself, and in its place and means of provision. This intrinsic quality therefore characterises what is offered, where and how, in such a way that underpins the customer experience, and thus their quality assessment, but that is antecedent to that experience and assessment. For example, the quality of accommodation, dining and associated services, and their manner of provision, typically characteristic of a five-star hotel must be purposefully and systematically designed and “engineered in”, as it were, in order to define what is offered and how this is managed and maintained to the end of creating a particular kind of service experience. The management philosophy and
practices that underpin this appear to have been recognised by Heskett (1986) in what he outlined at that time as “the strategic service vision”. Curiously and inexplicably, however, these are not explicitly included as a core element of the service-profit chain framework.

As we have argued, this embedded quality may not necessarily be appreciated or valued by all people. Indeed it is meaningful and valuable only to those for whom it is intended and who seek to avail themselves of this quality. Furthermore, it may or may not be profitable to provide and maintain (Rust et al., 2004; Kamakura et al., 2002). Yet this intrinsic quality, to the extent that it exists and can be shown to exist, exists ex ante to what is experienced, perceived and assessed by the customer (Crosby, 1979; Deming, 1982; Curry and Faulds, 1986; Garvin, 1988; Day, 1990; Brown, 1999). Correspondingly, the value created by this intrinsic quality represents an intrinsically resident value.

We believe that both intrinsic and extrinsically attributed quality and value can be accommodated within the service-profit chain framework, on the grounds that quality and therefore value can be shown to be both intrinsic to, and extrinsically attributed to, what is offered and experienced. In this way value provided to, and received by, the customer takes account of and accommodates both service provider and customer perspectives or, as Woodall (2003) has argued, both the residential and relational disposition to quality and value. In other words, value that, on the one hand, can be shown to be intrinsic to the comparative quality of what is offered and how, and, on the other, that is also subject to assessment by each individual customer. We illustrate in Figure 2 how the original service-profit chain framework may be extended to make this accommodation.

In our view this modified schema allows for the premise that customer value, that is value afforded by a particular service and offered to a customer, may be built in to service design and therefore reside intrinsically in the quality of what is offered and how. This means allowing for the possibility of assessing and demonstrating value offered with reference to, inter alia, the comparative standard of what is offered; the professional qualifications, experience and expertise of customer service personnel; the quality of the place of service provision and support systems. At the same time, what we have proposed accommodates and allows for the customer’s perception and assessment of quality and value offered and received. It also, however, allows for the possibility that satisfaction and loyalty may be grounded in more than only what a customer is capable of directly perceiving and understanding.

**Figure 2.** Proposed modification to the service-profit chain

Source: Heskett et al. (1997, p.12)
Managerial implications

To establish the supporting grounds for what we have proposed here requires investigation by service sector and consideration of factors both external and internal to service organizations operating in a given sector or some particular segment of it. For example, the imperatives facing providers of budget travel packages or accommodation options, are likely to be quite different to those facing operators of highly specialized tours and luxury hotels. Correspondingly, the imperatives that obtain in service sectors such as these will be quite different to those that obtain in service sectors such as personal and medical care, and education. In each case, however, the requisite nature and level of intrinsic quality that must be designed or “engineered” in, and the intrinsic value of what is expected and must be provided, will be influenced and shaped by a number of factors that are both external and internal to a service organization. External factors include professional standards, prevailing market expectations and accepted practices of leading service organizations within a given sector. Correspondingly, these external factors hold implications for the necessary design and deployment of a service organization’s internal capacity and capabilities. Therefore, with reference to a mix of external and internal factors or considerations such as these it is necessary to establish by service sector a frame of reference appropriate to determining, and assessing, the requisite nature and level of intrinsic quality and value that needs to be provided for.

Intrinsic quality and value is often grounded in the prevailing professional standards, accreditation criteria, practices and expectations of a particular service industry or sector. What may be regarded as accepted standards within the medical and dental professions provide but one example of this. Furthermore, it needs to be acknowledged that these standards and expectations may be geographically defined and circumscribed as a consequence of national and socio-cultural differences. Therefore establishing professional standards meaningful to defining intrinsic quality and value can only be done by industry sectors where it is relevant to do so, and with reference to prevailing national and socio-cultural standards and expectations.

The grounds and nature of intrinsic quality and value requisite to success in one service sector as opposed to another are also shaped or influenced by the practices of competing players and the expectations of markets targeted, both of which are dynamic and change over time. This notwithstanding, these practices and expectations have a bearing on what must be designed, operationalised and managed. This is necessary in order to ensure that what is offered, where and how, is accepted as at least comparable to the prevailing and expected standard of what is offered by competitors in each industry sector or one particular part of it. Rapid customer response, and the systems and processes that enable this within, for example, industries as diverse as fast food, telecommunications and transport provide illustrative instances of this.

The design and deployment of a service organization’s internal resources must then be undertaken in a way whereby prevailing externally defined and influenced standards and expectations are satisfactorily accommodated and consistently fulfilled. What Shostack advocated by way of blueprinting (Shostack, 1984) provides one example of means by which the backstage and front-of-house dimensions of service provision may be purposefully designed and managed with the aim of ensuring intrinsic service quality and value requisite and sufficient to achieving this end. The design, management and control of support systems, staff training and expertise
requisite to what is required of them, provide further examples of internal factors that have a direct bearing on the nature and level of intrinsic quality designed, delivered and managed, and the corresponding intrinsic value provided. Intrinsic quality and value may also reside in the design and maintenance of the place and facilities of service provision.

Finally we highlight at least three research opportunities deriving from what we have argued in this paper. First, we believe an opportunity exists to explore relationships that may exist between intrinsic quality and value, and other constructs that comprise the service-profit chain framework including, for example, the relationship between established intrinsic quality and value, and quality and value which are extrinsically attributed. A second opportunity exists to explore and establish effects of intrinsic quality and value exercised on customer satisfaction and loyalty. Third, yet another opportunity exists to explore and establish the return on intrinsic, as distinct from extrinsically attributed, quality and value. Answers to these questions may not be easily or straightforwardly found. In our view, however, their very existence suggests to us that more needs to be learned and understood about what constitutes quality and value afforded by one service as opposed to another, and the relationship between this and the customer’s perception of quality and value received.

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Further reading


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