A customized construct of sequential service quality in service encounter chains: time, context, and performance threshold

Göran Svensson

The author

Göran Svensson is Associate Professor and Head of the School of Business, School of Business and Engineering, Halmstad University, Halmstad, Sweden.

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Abstract

Studies of the construct of service quality have traditionally been undertaken from the perspective of the service receiver. More recently, research has focused on both the service provider’s perspective and the service receiver’s perspective. In addition, there have also been some triadic network approaches to the study of service quality. However, there has been very little research into sequential service quality in service-encounter chains (that is, consecutive service performances in a series of service encounters). The incorporation of connected service encounters in services management can improve understanding of sequential service quality in service encounter chains. The objective is to conceptualize and describe a customized construct of sequential service quality in service encounter chains.

Introduction

More than two decades ago, Surprenant et al. (1983) stated that service encounters are human interactions. Service quality in all service encounters is thus intrinsically affected by the perspectives of both the service provider and the service receiver. In a similar vein, Czepiel (1990) concluded that research on service quality must always include the perspectives of both the provider and the receiver. However, most research on the service quality construct has been restricted to one perspective: that of the service receiver (Parasuraman et al., 1988; Dabholkar et al., 1996; Bienstock et al., 1997). A few have applied dual perspectives and considered interactive features of service quality in service encounters (Dedeke, 2003; Svensson, 2001, 2003; Chow-Chua and Komaran, 2002; Tam and Wong, 2001; Athanassopoulos, 1997). But, in general, little research in services management has gone beyond the single perspective or the interactive perspective. At best, triadic network approaches have been explored (Svensson, 2002).

It is apparent that there is substantial scope for research in terms of sequential service quality in service encounter chains. The title of this article highlights time, context, and performance thresholds in service encounter chains. The objective is to conceptualize and describe a customized construct of sequential service quality in service encounter chains.

Conceptual framework

Although the actual performance of services takes place in service encounters at an operational level, services management is crucial to the overall strategic and tactical management of business operations.

Services have many distinctive features. These include the following (Grönroos, 2000):

- services are intangible and heterogeneous;
- their production, distribution, and consumption are simultaneous processes;
- they are essentially activities or processes;
- they represent a core value that is created in buyer-seller interactions;
- customers participate in their production;
- they cannot be kept in stock; and
- there is no transfer of ownership.

These characteristics reflect the essentially interactive nature of service quality performance in service encounters – that is, services are produced, distributed, and consumed in the interaction between the service provider and the service.
receiver. Svensson (2001) has noted the importance of service quality in contributing to the strength of interpersonal, intra-organisational, and inter-organisational service encounters. Indeed, service quality is a fundamental feature of services inter-organisational service encounters. Indeed, strength of interpersonal, intra-organisational, and the importance of service quality in contributing to the receiver. Svensson (2001) has noted the influence of indirect service encounters requires acknowledgment and exploration.

Several classifications of services have been suggested (Judd, 1964; Rathmell, 1974; Shostack, 1977; Hill, 1977; Sasser et al., 1978; Thomas, 1978; Chase, 1978; Grönroos, 1979; Kotler, 1980; Lovelock, 1980, 1983; Schmenner, 1986; Vandermerwe and Chadwick, 1989; Edvardsson, 1996). The common feature of these various classifications is that they consider only the service receiver or the service provider at hand, and not the indirect service receivers or service providers.

The construct of service quality is multidimensional. Several models have taken this into account and have conceptualized the construct of service quality in multidimensional terms (Bienstock et al., 1997; Dabholkar et al., 1996; Edvardsson, 1996; Lehtinen and Lehtinen, 1991; Brown and Swartz, 1989; Parasuraman et al., 1988; Garvin, 1987, 1988; Gummeson, 1987; Albrecht and Zemke, 1985; Grönroos, 1983, 1984, 1988, 1990). Subsequently, various researchers have explored the construct of service quality in different empirical settings, and have developed various multiple-item measures of the construct. In general, these have been derived from the service receivers’ perspective, but not from that of the service providers. In particular, they have neglected the service receivers’ service receiver and the service providers’ service provider. Such multidimensionality might vary among various service encounters over time and across contexts, as might the performance thresholds.

Service quality in service encounters is frequently depicted as being the performance of an interactive process between the service provider and the service receiver. However, in research, the service provider’s perspective in the service encounter is seldom acknowledged, and often neglected. The reality is that both perspectives should be considered, and both require further research (Svensson, 2001, 2002, 2003; Lindqvist and Persson, 1997; Strandvik and Storbacka, 1996; Czepiel, 1990; Surprenant et al., 1983). Nevertheless, some research efforts have considered both (Dedeke, 2003; Svensson, 2001, 2003; Chow-Chua and Komaran, 2002; Tam and Wong, 2001; Athanassopoulos, 1997). The interactivity between the two perspectives leads to a dynamic approach. Wilkinson and Young (1999) have noted that relationship development is a dynamic process in which the various dimensions of a relation interact and self-organize into a mutually consistent pattern of performance, perceptions, and attitudes that represent the “personality” of a relationship. The interactive features of service quality in service encounters are thus crucial to the ultimate performance, even though the interactive features in other service encounters might also be important. In fact, the service quality performance might be derived from the outcome of a series of interactive processes in consecutive service encounters. The ultimate outcome depends on the performance thresholds in any given instance. The performance thresholds influence and deteriorate the ultimate outcome of service quality in service encounters and service encounter chains.

The performance of service quality in service encounters can also be dependent on, or at least influenced by, others in a network context. Third parties in service encounters can influence the performance of service quality. The network can also be intra-organizational rather than inter-organizational. However, network approaches to service quality in service encounters are rare in the literature (Svensson, 2002). Furthermore, the performance of service quality in service encounters can also be dependent on, or influenced by, other service encounters in a chain or channel context. This means that the interactive features of service quality performance in consecutive service encounters influence the ultimate performance of sequential service quality in service encounter chains.

Theoretical implications

The approach advocated in this paper – i.e. to go beyond single and interactive perspectives of service quality performance in service encounters, and to include consideration of sequential service quality in service encounter chains – requires consideration of the perspectives of both service providers and service receivers in indirect service encounters. Service providers and service receivers
should be aware that poor service-quality performances in other service encounters might have an effect on themselves and their own performance in service encounters, and vice versa. This is an issue of great interest to practitioners and researchers in services management. A careful scanning procedure is therefore necessary to identify potentially hazardous indirect service encounters that might, in turn, cause poor service-quality performance in direct service encounters. A careful scanning procedure can help to overcome deficient performance in terms of responsiveness, empathy, assurance, availability and timeliness in and between service encounters.

A customized construct
As noted above, the various extant constructs of service quality can be modified and combined to make a customized construct for exploring and describing sequential service quality in service-encounter chains. Of the models noted above, only a few have been tested for validity and reliability. These include the models of Parasuraman et al. (1988), Dabholkar et al. (1996), and Bienstock et al. (1997). These models are therefore used in the present study to construct a customized conceptual framework of sequential service quality.

Parasuraman et al. (1988) identified five dimensions of service quality in constructing their SERVQUAL model to measure the consumer's judgment of a company's service offerings. These dimensions were tangibility, reliability, responsiveness, assurance, and empathy. Dabholkar et al. (1996) also identified five dimensions in their SQRS model of retail service quality in assessing levels of service quality and detecting changes required in the services provided. Their five dimensions, i.e. physical aspects, reliability, personal interaction, problem solving and policy, were somewhat different from those of Parasuraman et al. (1988). Bienstock et al. (1997) identified three dimensions in their PDSQ model to measure industrial customer perceptions of the physical distribution of service quality received from suppliers. Their dimensions were timeliness, availability and condition.

Although they have been validated and have been shown to be reliable, none of these three models is entirely appropriate in itself for exploring sequential service quality in service encounter chains, because they have been shown to be highly context-specific (Buttle, 1996; Asubonteng et al., 1996). Indeed, SQRS and PDSQ were developed, at least in part, as a result of the lack of universal applicability of SERVQUAL. Nevertheless, as previously noted, a customized construct of sequential service quality can be developed on the basis of these validated and reliability-tested constructs (see Table I).

Issues of physical facilities and their appearances are addressed by most items of the “tangibility” dimension of SERVQUAL and by the “physical aspects” dimension of SQRS. These two dimensions are therefore condensed into one dimension representing the “visuals” of perceived sequential service quality in service encounter chains. Issues of accuracy and promise are addressed by most items of the “reliability” dimension of SERVQUAL, by aspects of the “reliability” dimension of SQRS, and by the “condition” dimension of PDSQ. These three dimensions are therefore condensed into one dimension reflecting the reliability of perceived sequential service quality in service-encounter chains. Issues of attention, promptness, and willingness to respond are addressed by most items of the “responsiveness” dimension of SERVQUAL, by most of the “problem-solving” dimension SQRS (and by some aspects of its “personal interaction” dimension), and by the “timeliness” dimension of PDSQ. These four dimensions are therefore condensed into one dimension reflecting the reaction of perceived sequential service quality in service-encounter chains. Issues of trust and kindliness are addressed by most items of the “assurance” dimension of SERVQUAL and by the “personal interaction” dimension of SQRS. The dimensions of “assurance” and “personal interaction” are therefore condensed into one dimension representing confidence of perceived sequential service quality in service encounter chains. Issues of convenience and obtainability are addressed by most items of the “policy” dimension of SQRS and by the “availability” dimension of PDSQ. These two dimensions are therefore condensed into one dimension representing the accessibility of perceived sequential service quality in service encounter chains. Issues of understanding and insight are addressed by most items of the “empathy” dimension of SERVQUAL and by aspects of the “personal interaction” dimension of SQRS. These two dimensions are therefore condensed into one dimension representing comprehension of perceived sequential service quality in service encounter chains.

As a result of these changes, a six-dimensional customized construct of sequential service quality in service encounter chains has been developed in the present study. These six dimensions are:

1. visuals;
2. reliability;
3. reaction;
4. confidence;
5. accessibility; and
6. comprehension (see Table I).
The dimensions can be applied in service chains from either an upstream-downstream perspective or a downstream-upstream perspective.

Managerial implications

There are three crucial parameters of sequential service quality that should be considered in service-encounter chains:

(1) time;
(2) context; and
(3) performance threshold.

Together, they shape and underpin the characteristics of a customized construct of sequential service quality.

Time and context in service encounter chains

A service encounter consists of the interactive process between a service provider and a service receiver (see, for example, #1, #2, or #3 in Figure 1). The service encounter chain consists of the interactive processes between service providers and service receivers in and between consecutive service encounters (#1, #2, and #3). Two generic parameters influence the ultimate performance of sequential service quality in service-encounter chains. One of these parameters is context, which refers to the actual service encounter (i.e., #1, #2, or #3). The other is time, which connects the actual service performance in each of these service encounters (#1, #2, and #3). Together, these two generic parameters construct a generic conceptual framework that contributes to an understanding of the complexity of service quality performance in a series of consecutive service encounters.

The performance of service quality in one service encounter is relatively easy to describe because it is dependent on the interactive processes of production, delivery, and consumption between one service provider and one service receiver (#1, #2, or #3). In contrast, sequential service quality is relatively complex to describe because it involves production, delivery, and consumption among various service providers and service receivers in a series of consecutive service encounters. The challenge in exploring the construct of sequential service quality is the multiple interactivity of service encounter chains. This means that the performance of service quality in one focal service encounter (#2) can affect, or be affected by, the performances in other service encounters (#1 and #3). For example, the performance of a service encounter between company A’s salesman and company B’s purchasing manager might be affected by the service encounter between company A’s purchasing manager and the sales manager of an upstream company (company C) or the purchasing manager of a downstream company (company D). There can also be interdependence of the service quality in an internal service chain.

### Table 1 Framework of content analysis in case studies

<table>
<thead>
<tr>
<th>Source</th>
<th>Scale and dimensions</th>
<th>Customized dimensions</th>
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</thead>
<tbody>
<tr>
<td>Parasuraman et al. (1988)</td>
<td>SERVQUAL</td>
<td>Visuals – tangibility/physical aspects (i.e. physical facility and appearance)</td>
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<tr>
<td></td>
<td>Tangibility</td>
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<td>Reliability</td>
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<td>Physical aspects</td>
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<td></td>
<td>Reliability</td>
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<td>Personal interaction</td>
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<tr>
<td>Dabholkar et al. (1996)</td>
<td>SQRS</td>
<td>Reaction – responsiveness/problem solving/personal interaction/timeliness (i.e. attention, quickness and willingness)</td>
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<td></td>
<td>Physical aspects</td>
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<td>Policy</td>
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<tr>
<td>Bienstock et al. (1997)</td>
<td>PDSQ</td>
<td>Accessibility – policy/availability (i.e. convenience and obtainability)</td>
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<td>Timeliness</td>
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<td>Availability</td>
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Figure 1 Context and time of sequential service quality in service encounter chains
encounter chain, consisting of a purchasing department, a production department, and a sales department. For example, the sales department might perceive the performance of the production department as being poor, but this might be a result of the purchasing department not procuring the necessary materials and components. The purchasing department might perceive the performance of the sales department as deficient because the production department blames the sales department for its inaccurate sales prognoses having caused unreliable orders to the purchasing department. The production department might judge the service quality of the purchasing department to be troublesome because the procurement of materials and components is unreliable, which causes delayed deliveries to customers. In summary, the performance of service quality in service encounters can be affected by the performance of other service encounters in the sequence. The question of performance thresholds thus arises as another parameter of importance in sequential service quality in service-encounter chains.

**Performance thresholds in sequential service quality**

In addition to time and context, a third generic parameter of importance in sequential service quality is the “performance threshold” in service encounter chains. Performance threshold decreases as the sequential service quality in service encounter chains improves, and increases as the sequential service quality in service encounter chains deteriorates. Taken together, the performance threshold has a significant influence on the ultimate outcome of sequential service quality in service-encounter chains (see Figure 2). When the overall performance in service encounter chains is good, the sequential service quality is high. This means that the direct and indirect performance thresholds are low throughout the focal unit of analysis (i.e. the service encounter chain). This also means that the service quality performance in each consecutive service encounter contributes positively to the ultimate sequential service quality. In contrast, poor performances in service encounter chains lead to poor sequential service quality. This means that the direct or indirect performance thresholds (or both) are high. For example, poor reliability (such as delays and inconsistencies in performance) in one service encounter can affect reliability in other dependent encounters. This might be caused by a lack of empathy in personal interaction between service providers and service receivers in various service encounters. In contrast, if the sequential service quality is high in service encounter chains, high reliability in one service encounter is likely to enhance reliability in other dependent encounters. Empathy in personal interaction between service providers and service receivers in direct and indirect service encounters provides a basis for performance of a high standard.

Existing constructs of service quality are inadequate for exploring and describing sequential service quality in service-encounter chains because these models have been developed for other purposes. They have been developed in specific settings such as consumer judgment (Parasuraman et al., 1988), retailing (Dabholkar et al., 1996) and physical distribution (Bienstock et al., 1997). However, taken together, these models can contribute to specific aspects of the management of performance thresholds over time and across contexts in service encounter chains. The extant constructs of service quality have certain features in common in terms of dimensions and items. The dimensions of these models can therefore be condensed and the items within the dimensions can be slightly changed to make them applicable to sequential service quality in service encounter chains.

**A generic five-phase managerial process**

Supportive and managerial aspects of service quality in sequential service chains can be assessed through a generic five-phase process (see Figure 3).
Phase 1 consists of a performance analysis of non-interactive service quality from the perspective of the service provider in direct downstream service encounters. This initial phase of analysis is a prerequisite in the process of measuring and evaluating the downstream performance of sequential service quality in service encounter chains.

Phase 2 consists of a broadened performance analysis of interactive service quality as the service provider and the perception of the service receiver in direct downstream service encounters. The interactivity in the process must be assessed to gain a better understanding of the performance of service quality in each downstream service encounter. Phases 1 and 2 are crucial for immediate and short-term success of services management.

Phase 3 consists of a performance analysis of non-interactive service quality from the perspective of the service receiver in direct upstream service encounters. This phase of analysis is the opposite of phase 1. It is a prerequisite in the process of measuring and evaluating the upstream performance of sequential service quality in service-encounter chains.

Phase 4 consists of a broadened performance analysis towards interactive service quality as the service receiver and the perception of the service provider in direct upstream service encounters. This phase analyses the focal unit of performance between two connected service encounters. Phases 3 and 4 are crucial for immediate and short-term success of services management.

Phase 5 consists of extended performance analysis (beyond phases 1-4) involving sequential service quality in indirect service encounters that might have an effect on the direct service encounters of the focal unit. The service providers and the service receivers should have a similar perception of the service quality offered and received in service encounters. Otherwise the performance of interactive service quality efforts might not be satisfactory or successful.

Phase 5 consists of extended performance analysis (beyond separate upstream and downstream single and interactive perspectives of service quality) to reveal inappropriate, indirect, and deteriorating
aspects that might affect the performance of sequential service quality. Phase 5 requires organizations to go beyond their direct upstream and downstream service encounters to reveal possible inadequacies in indirect service encounters. Phase 5 is crucial for long-term managerial success in sequential service quality performance.

The generic five-phase process stresses the importance of performance thresholds in sequential service quality. Failure to achieve these performance thresholds can generate a “snowball” effect that can be troublesome to manage over time and across contexts.

Conclusions and suggestions for the future

Research into sequential service quality in service encounter chains is useful in a number of areas that go beyond current service quality constructs. In particular, the multiple interactions of sequential service quality (taking into account the perspectives of both providers and receivers) should be stressed in services management. The extant constructs of service quality and their applications in practice do not take adequate account of the interrelationships and interdependences of service performances in a series of consecutive service encounters. These matters have received consideration in business logistics, but the dimensional frameworks of these constructs are different (for example, lead time and service level). A consideration of sequential service quality is therefore of theoretical and managerial importance in services management.

Because the model proposed here considers both single and interactive perspectives of service quality, the perspectives of both service providers and service receivers are explored and evaluated in (and between) different service encounters.

A related issue of importance in services management is how ultimate service performance is affected by deficiencies in single and interactive performances of sequential service quality. The effect of performance thresholds over time and across contexts should not be ignored by practitioners in dealing with the interactive features of service quality performances in service encounter chains.

Practitioners will therefore benefit from the customized construct of sequential service quality presented here. It provides a six-dimensional approach to exploring crucial service encounter chains in services management. The construct stresses the importance of holistic considerations in services management, beyond departmental and even judicial boundaries.

There is a need for ongoing theoretical research and managerial applications in services management to go beyond single interactive perspectives of service quality, and to focus on interdependences in a series of consecutive service encounters. It might be of interest to compare the characteristics of service-encounter chains in service industries and manufacturing industries, because the ultimate performance is dominated by intangibles in service industries whereas it is dominated by tangibles in goods industries. Furthermore, qualitative assessments of service quality (rather than quantitative assessments) might be more appropriate in some circumstances.

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Further reading