

QUIS 11

Moving Forward with Service Quality

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Contents

Preface	xi
Aiello, Taryn	1
Patient advocacy: enhancing hospitality in healthcare through volunteerism	
Amorim, Marlene, Alejandro Lago, Philip Moscoso and Rui Sousa	10
Operational strategies to drive multichannel adoption in retail banking contexts	
Andreassen, Tor W. and Anders Gustavsson	11
Co-production: a sunny-side syndrome?	
Ates, Zelal and Marion Buettgen	13
Client loyalty in professional business services	
Bartsch, Silke, Sabine Fuchs and Anton Meyer	14
The good, the bad and the ugly – what determines the quality of telephone-based self-services from a customer’s perspective?	
Bienzeisler, Bernd	15
Do services pay off? Insights from an empirical study in the German machine building industry	
Bloemer, Josée, Jing Zhang and Hans Kasper	16
The impact of value congruence on affective commitment in service relationships: examining the moderating effects of preference for consistency, switching costs, and demographic characteristics	
Böhmman, Tilo, Wolfgang Burr, Bo Edvardsson and Ute Reuter	17
Implementing modular service production – conceptual framework and case study evidence	
Bohn, Tom, Duncan Dickson, Robert C. Ford and Gery Markova	18
They can do it if you let them: how training and reorganization of duties can allow a customer service group to do it	
Bourbonus, Nicolas and Dominik Georgi	26
The influence of outsourcing on image, relationship quality and customer staff relationship	
Bridges, Eileen and Kendra Fowler	27
Consumer expectations, retail perception and choice	
Brüggen, Elisabeth C., Bram Foubert and Dwayne Gremler	30
The longitudinal effects of a servicescape makeover	
Buehler, Pascal and Peter Maas	31
Dynamics of customer value: does the financial crisis influence value perception of customers?	
Buettgen, Marion and Zelal Ates	32
How to make customers take responsibility in service production: suggestibility and motivational effects of service locus of control	
Burger, Thomas, Mari Holopainen and Thomas Meiren	33
ServLab: laboratory support for the design, visualisation and simulation of services	
Cassidy, Kim, Steve Baron, Elaine Eades and Dominic Elliott	40
Should we really be “looking to customers to increase productivity”?	
Chai, Kah-Hin, Yi Ding, and Yufeng Xing	41
The spillover effects of quality and customer satisfaction in interdependent firms – A study in the mobile phone industry	
Coenen, Christian	51
From intentions to actions: measuring customer’s word-of-mouth behavior via Critical Internet Feedback Technique (CIFT)	

<i>Conte, Tobias, Carsten Holtmann, Marco Umfahrer and Clemens van Dinther</i>	52
Value co-creation by customers – challenges in Web 2.0-based business	
D <i>agger, Tracey, Peter J. Danaher and Brian Gibbs</i>	53
Keeping and interacting with your customers: how often versus how long	
<i>Delcourt, Cécile, Allard Van Riel and Marcel Van Birgelen</i>	56
Linking contact employee emotional intelligence to customer perceptions	
<i>Dumler, Anja, Silke Bartsch, Sina Fichtel and Nina Blankenberg</i>	66
Employee appearance brand fit – shedding light on the customer’s perspective	
<i>Duque, Lola C. and Nora Lado</i>	67
Cross-cultural comparisons of customer satisfaction ratings: An Albert Hirschman’s theory perspective	
E <i>berhard, Dunja B., Melanie Kramp and Klaus J. Zink</i>	69
Internationalization of product-related services – a multidimensional assessment approach	
<i>Echeverri, Per, Nicklas Salomonson and Annika Åberg</i>	78
Dealing with customer misbehavior: The role of practical judgment in service provision	
<i>Ehret, Michael and Jochen Wirtz</i>	81
Creative restructuring – The contribution of business services in restructuring firms and economies	
F <i>ehl, Steven</i>	82
Organizational learning in B2B market oriented field service	
<i>Fichtel, Sina, Nina Specht and Stefanie Ammler</i>	85
Impact of front-line employee performance on brand perception – a case from Audi AG	
<i>Finsterwalder, Jörg and Sven Tuzovic</i>	95
Quality in group service encounters – a theoretical exploration of the concept of a simultaneous multi-customer co-creation process	
<i>Fischer, Thomas, Heiko Gebauer and Elgar Fleisch</i>	105
Exploring value (co-)creation strategies in product-oriented companies from a service-dominant perspective	
<i>Fisk, Raymond P., Aidan Daly and Stephen J. Grove</i>	108
How can the performing arts improve service delivery? An improvisational and internal marketing application	
<i>Fließ, Sabine, Silke Scheutzw and Roman Kaldich</i>	109
Success factors of customer integration in a B2C context	
<i>Fonseca, Filipa, Carlos Brito and Sofia Pinto</i>	110
The relationship between service quality and customer satisfaction in public transport services	
<i>Ford, Robert, Mary Bardes, Duncan Dickson and Robert Folger</i>	118
A triangle model of mistreatment: exploring employee responses to customers’ injustice	
G <i>arnefeld, Ina, Sabrina Helm, Steve Tax and Andreas Eggert</i>	128
Referral reward programs and recommender retention – does reward size matter?	
<i>Gebauer, Heiko</i>	130
Service business in manufacturing companies – Identifying misconceptions and directing further research	
<i>Gemmel, Paul and Katrien Verleye</i>	140
Manage the human sigma in the hospital	
<i>Godsiff, Phil, Roger Maull, Fred Ponsignon and Andi Smart</i>	150
Operationalising variety	
<i>Goldschmidt, Nadav</i>	160
Are employees and customers “two peas in a pod”?	

<i>Gottfridsson, Patrik and Carolina Camén</i>	163
Understanding service development in outsourced service networks – a study of service developments in the public transport area	
<i>Gouthier, Matthias and Manuel Günther</i>	172
Organizational identification, pride and health among newcomers: a modification of the job demands-resources model for the call center industry	
<i>Gremyr, Ida, Nina Löfberg and Lars Witell</i>	173
Tracing service innovations in manufacturing firms	
<i>Hadwich, Karsten, Dominik Georgi, Sven Tuzovic, Julia Büttner and Manfred Bruhn</i>	183
Perceived quality of e-health services: A conceptual and empirical study of e-health service quality based on the C-OAR-SE-Approach	
<i>Hartsuiker, David and Philip Barbonis</i>	186
Pad scale for the design of experience-inducing servicescapes	
<i>Heimbürger, Markku</i>	196
Framework of strategic, tactical and operational customer relationship management in facility services	
<i>Heinonen, Kristina, Tore Strandvik, Karl-Jacob Mickelsson, Bo Edvardsson, Erik Sundström, Per Andersson</i>	206
A customer dominant logic of service	
<i>Hennigs, Nadine, Klaus-Peter Wiedmann, Barbara Seegebarth and Sandra Venghaus</i>	216
Exploring risk attitudes and the adoption of online banking services	
<i>Hertog, Pim den, Mark de Jong and Wietze van der Aa</i>	217
Managing capabilities for service innovation: towards a management framework	
<i>Heumann, Christian</i>	227
The effects of organizational response dimensions on postcomplaint customer behaviour	
<i>Hocová, Petra, João Falcão e Cunha and Zdenko Staníček</i>	230
Assessment of individuals cooperating towards value co-creation in a dynamic service system environment	
<i>Hogreve, Jens, Sabine Fließ and Dwayne D. Gremler</i>	240
Understanding the mechanisms behind service guarantees: are service guarantees more than a signal of quality?	
<i>Holmqvist, Jonas</i>	242
Influence of gender on language use in service encounters	
<i>Holmström, Jan and Saara Brax</i>	252
Supply chain design for industrial services	
<i>Holopainen, Mari, Anu Helkkula and Marcin Chlodnicki</i>	255
Approaching service experiences through servicescape design	
<i>Hooper, Daire, Joseph Patrick Coughlan and Michael R. Mullen</i>	262
Clarifying the ambiguities between the servicescape and service quality: a field study	
<i>Hydle, Katja Maria, Karl Joachim Breunig and Berit Evju</i>	263
Transnational professional service performance: practices of knowledge management	
<i>Hypko, Phillipp, Meike Tilebein and Ronald Gleich</i>	273
Performance contracting as a Win-Win-strategy in the manufacturing industry – a comprehensive overview of benefits and risks for providers and customers	
<i>Isayeva, Aygul and Line Lervik Olsen</i>	283
The role of loyalty phases as a moderator of the relationship between satisfaction with service recovery and its drivers	
<i>Jaaron, Ayham and Chris Backhouse</i>	291
Affective commitment stimulation through systems thinking	

<i>Johnston, Robert and Xiangyu Kong</i>	300
The customer experience: a road map for improvement	
<i>Jüttner, Uta and Christine Larbig</i>	310
Electronic Market Places for Complex Services: A Service Dominant Logic Perspective	
K <i>asper, Hans and Josee Bloemer</i>	311
Coping with perceived information and choice overload; the case of the Dutch mobile phone market	
<i>Kelleher, Carol and Anu Helkkula</i>	320
Virtually speaking – customer to customer communication in virtual communities	
<i>Kikuchi, Takashi</i>	330
Interaction between service types and the Japanese institution: toward the Japanese-type service management	
<i>Kindström, Daniel, Christian Kowalkowski and Erik Sandberg</i>	331
A dynamic capabilities approach to service infusion in manufacturing	
<i>Klaus, Philipp and Stan Maklan</i>	341
Customer experience quality EXQ: a conceptual model of customer experience quality and the development and validation of a scale	
<i>Kleinaltenkamp, Michael and Manuel Kluckert</i>	342
Fungibility of standardized service contracts	
<i>Kölling, Marcus, Anne-Katrin Neyer and Jessica Scheler</i>	352
Towards ambidextrous service innovators: lessons learned from the German airport industry	
<i>Kowalkowski, Christian and Daniel Kindström</i>	362
Three-way value propositions: going beyond the supplier-customer dyad	
<i>Kunz, Werner H. and Raymond Liu</i>	372
Consumer addiction to consumer communities – how to influence the underlying dimensions?	
<i>Kuo, David Chien Liang, Barbra Huey-Jiuan Yeh, Li-Chuan Chuang and Evelina Huey-Chun Tang</i>	375
Toward an approach for industry-oriented service innovation: Experiences from the project on developing innovative hedonic nostalgia services	
<i>Kuppelwieser, Volker, Matthias Gouthier and Radoslaw Pidzik</i>	376
Customer empowerment and its effects on customer satisfaction and customer loyalty	
L <i>ages, Cristiana R.</i>	377
Service delivery behaviours: the role of work group socialization and shared values	
<i>Laine, Teemu, Jari Paranko, Pasi Julkunen and Petri Suomala</i>	380
Understanding the accounting object: the case of the extended warranty	
<i>Larsson, Patrik and Henrietta Huzell</i>	390
Are companies with aesthetically appealing employees more profitable?	
<i>Löfberg, Nina, Lars Witell and Anders Gustafsson</i>	391
Service strategies in a supply chain	
<i>Luria Gil, Dana Yagil and Iddo Gal</i>	401
Tradeoffs between productivity and service quality: The moderating role of frontline workers' empowerment, burnout, and service climate	
<i>Lyth, David M. and Larry A. Mallak</i>	405
Development and application of the desired culture analysis tool	
M <i>ende, Martin, Mary Jo Bitner, Amy Ostrom and Maura Scott</i>	412
Stressed out customers – what happens when service coproduction is stressful for consumers?	
<i>Michel, Stefan</i>	413
The antecedents and consequences of the price carrier decision in service	

<i>Mikulić, Josip and Darko Prebežac</i>	414
Developing service improvement strategies under consideration of multicollinearity and asymmetries in loyalty intentions – a study from the airline industry	
<i>Mills, John, Valerie Crute and Glenn Parry</i>	424
Enterprise imaging: visualising the scope and complexity of large-scale service enterprises	
<i>Moeller, Sabine and Kristina Wittkowski</i>	434
The burden of ownership: reasons to prefer renting	
<i>Mostafa, Rania, Cristiana Raquel Lages, Des Thwaites, and Haseeb Shabbir</i>	444
The effect of service recovery strategies on satisfaction and corporate image	
<i>Muschaweck, Florian</i>	447
Franchising – a solution for medical services?	
N <i>Neumann, Christina and Friedemann W. Nerdinger</i>	448
Training of customer contact employees in brief encounters	
<i>Ng, Irene C. L. and Nick Yi</i>	458
B2B performance-based contracts in services: the attributes of value co-creation	
<i>Nogly, Felicitas</i>	459
Standardization of international complaint management	
<i>Nordin, Fredrik and Christian Kowalkowski</i>	461
Solutions offerings: a critical review and reconceptualization	
O <i>rdanini, Andrea, Gaia Rubera and A. Parasuraman</i>	470
The moderating role of customer co-production on the link between service creativity and intention-to-buy	
P <i>aiola, Marco, Heiko Gebauer and Bo Edvardsson</i>	480
Service infusion in manufacturing: the case of small and medium enterprises	
<i>Paluch, Stefanie, Markus Blut and Hartmut Holzmüller</i>	490
Neglected outcomes of remote services establishment: results of a qualitative study	
<i>Pareigis, Jörg</i>	493
Exploring the role of the service environment in forming customers' service experience	
<i>Patricio, Lia, Raymond P. Fisk and João Falcão e Cunha</i>	503
MINTS – understanding the drivers of multi-interface satisfaction	
<i>Paul, Michael, Thorsten Hennig-Thurau and Georg Puchner</i>	504
Modeling the chain of effects of relationship marketing instruments on customer perceptions and behaviours	
<i>Pedersen, Tore, Margareta Friman and Per Kristensson</i>	505
Improving potential customers' predictions of future satisfaction with a service – defocusing the focusing illusion	
<i>Persson, Jan E. and Ulrika Westrup</i>	506
Cross-boundary management in service organisations	
<i>Pinhanez, Claudio</i>	515
“Humans inside” as the key characteristic of service systems	
<i>Pinto, Sofia Salgado</i>	525
The soft features of service: specifications and standards for control and improvement	
<i>Puga-Leal, Rogério and Zulema Lopes-Pereira</i>	535
Development of a service capability index	
R <i>eynoso, Javier, Alberto Rodriguez and Jose Manuel Sanchez</i>	545
Conceptualizing and measuring service orientation levels in manufacturing	
<i>Robertson, Nichola and Jay Kandampully</i>	546
e-Word of mouth: the role of e-Service guarantees and e-Recovery	

<i>Roos, Inger and Bo Edvardsson</i>	549
Comparing the customer's and the provider's perspectives on customer relationships – implications for the value perception	
<i>Rygaard Jonas, Louise and Richard Jones</i>	552
Where does the brand lie in the organisation today?	
S <i>alomonson, Nicklas and Annika Åberg</i>	553
Co-creating value in dialogue: a matter of communicative relationship, communicative balance and mutual understanding	
<i>Sampson, Scott E. and Menor, Larry J.</i>	556
Service-dominant logic 2.0: from being biased to balanced	
<i>Sarkka, Minni and Olli Tolkki</i>	566
Relationship governance in the outsourcing of B2B information systems (IS) services	
<i>Schäfer, Adrienne and Markus Berg</i>	576
Applying business theatre in the service innovation process	
<i>Schepers, Jeroen, Ad de Jong and Ko de Ruijter</i>	577
Customer stewardship in service teams: a multilevel assessment	
<i>Schmitz, Gertrud and Stephanie Modlich</i>	581
Customer-related antecedent conditions for an effective interactive value creation of customer solutions: conceptual and exploratory analysis	
<i>Schumann, Jan. H.</i>	591
Cross-cultural differences in customers' willingness to co-produce professional services: insights from an 11 country-study	
<i>Segelström, Fabian and Stefan Holmlid</i>	604
Online services and cultural diversity: applying Hofstede's framework to predict potential design issues	
<i>Seidel, Wolfgang, Katrin Plein and Jürgen Schneider</i>	613
Controlling customer satisfaction and customer retention from the perspective of the "customer care" department	
<i>Seiter, Mischa, Carsten Schwab, Tobias Heussler and Manuel Michaelis</i>	614
Quantifying value to the customer of product-related services – first empirical results	
<i>Severt, Denver and Duncan Dickson</i>	624
Using the skylight system to enhance service delivery	
<i>Shuwei Hsu, Ryan, James O. Stanworth and Huo-Tsan Chang</i>	632
The service predisposition in a Chinese context	
<i>Söderlund, Magnus</i>	635
Conducting experiments in service encounter research: Does the position of the dependent variable matter?	
<i>Sperker, Christina and Dominik Georgi</i>	644
Conceptualization of a generic customer process	
<i>Steinke, Claudia</i>	645
Physical service design: testing a construct	
<i>Streukens, Sandra and Tor W. Andreassen</i>	653
Frontline employees' personality traits: customer preferences and the homophily effect	
<i>Stüber, Eva and Michael Brusch</i>	654
Personalisation in retailing: differences and commonalities in selected branches	
<i>Sundin, Erik, Anna Öhrwall Rönnbäck, Tomohiko Sakao and Nils Lommatzch</i>	664
Selling warranty services instead of supplying components	
T <i>an, Daisy Jing, Mark R. Rosenbaum and Katherine Tyler</i>	674
Instant messaging – A CRM innovation for SMEs in China	
<i>Tombeil, Anne-Sophie and Walter Ganz</i>	675
MARS – International Monitoring of Activities and Research in Services	

<i>Torney, Meike and Christoph Herrmann</i>	685
Framework for the development of automotive after sales services	
<i>Tronvoll, Bard</i>	686
Service interactions require new thoughts in customer complaint behaviour	
<i>Tyler, Katherine</i>	687
Co-creation of value and customer service in services business to business relationships	
<i>Van der Wiele, Ton, Jos van Iwaarden, Roger Williams and Steve Eldridge</i>	688
The effect of user generated content	
<i>van Iwaarden, Jos, Wendy van der Valk and Lizan Alders</i>	689
Controlling the delivery of outsourced services in asymmetrical supply chains	
<i>van Vaerenbergh, Yves, Bart Larivière and Iris Vermeir</i>	698
An experimental investigation of consumer reactions to process recovery communications	
<i>von Selasinsky, Maren</i>	699
Quality control, service quality and international performance: what quality initiatives do really work?	
Walsh, Gianfranco	709
Does Relationship Quality Matter in E-Services? A Comparative Study of Online and Offline Service Firms	
<i>Walter, Ute and Asa Öström</i>	710
The role of the physical and social environment in customers' restaurant experiences	
<i>Wei, Yi-Ling, Chintay Shih and Kung Wang</i>	713
Value creation through service innovation: cases of Taiwan IT companies	
<i>Weichler, Anika</i>	714
Age-differentiated work motivation in service companies	
<i>Weissenberger-Eibl, Marion and Sabine Biege</i>	724
Design for product-service systems – a literature review	
<i>Wilson, Bradley and William Callaghan</i>	734
An investigation into the role of relational constructs in selected services categories.	
Zhou, Qi and Kay Chuan Tan	737
Towards an integrative service design framework	
<i>Zimmer, Marcus and Florian von Wangenheim</i>	746
Describing solution-orientated B2B-relationships	

THE RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION IN PUBLIC TRANSPORT SERVICES

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ABSTRACT

This paper reports on a study that explores the relationship between service quality and customer satisfaction in a public transport service taking into account both internal and external perspectives. In order to analyse this relationship, the concepts of service quality, consumer satisfaction and dissatisfaction are assessed. A model of analysis was developed which aimed at explaining this relationship and guide the empirical study. This was based on an exploratory case study of a metro company in Europe.

INTRODUCTION

Marketing has, for a long time, recognized the importance of service quality as well as consumer satisfaction. Significant research has been conducted in both fields, particularly in services (cf. Andreassen, 1995; Edvardsson, 1998; Friman e Garling, 2001; Higgs *et al.*, 2005). However, few studies have explored both the operations (internal) and the customer (external) perspectives of quality and satisfaction. In the public sector this appears to be of particular interest. Public services, such as public transportation, have to meet the needs of the customers while playing a role in economic and urban sustainability, challenging operations to deliver quality to serve customers and non-customers while making the best use of company resources.

Previous service marketing challenges have prompted some research questions about the relationship between quality and satisfaction, specifically:

RQ1: In a public transportation services context, which are the determinants of service quality that influence perceived quality?

RQ2: How does the perceived quality influence satisfaction and dissatisfaction of customers in public services of public transportation?

This article reports findings of a research in the relationship between quality and satisfaction from a service marketing perspective. It begins with a review of the literature that synthesizes and discusses some concepts considered relevant for the research. It then details the methodology used in the study, as well as considerations about the quality, of the research design. Furthermore, it presents the findings, which are followed by a discussion of possible implications. Finally, the paper ends with the main conclusions, managerial implications and with a few suggestions for further research.

BACKGROUND LITERATURE

The theoretical background of this paper is based on three major areas: quality, satisfaction and dissatisfaction.

In the management context, the word quality can be used to refer to different things: accordance with the specifications (Levitt, 1972; Juran and Gryna, 1991); excellence because quality is a simple property and impossible to analyse and we learn to recognize this through experience (Garvin, 1984); accordance with the requirements, adequacy of use, prevention of losses, or how to answer to or to exceed the consumer expectations (Grönroos, 1984, Parasuraman, Zeithaml and Berry, 1985, 1988). Through such a variety of concepts, it

can be said that the common point of most of the definitions, exception for the first one, is that of targeting the consumer.

In this research quality is presented in the perspective of perceived quality because it is the most commonly used in the services area.

The literature about satisfaction has to be adapted to the context which is to be studied. Customer satisfaction is seen as an answer to completion and fulfillment of needs (Oliver, 1996); a psychological state (Howard and Sheth, 1969) and as an assessment of overall evaluation (Westbrook, 1987). Moreover, consumer satisfaction is seen as a cognitive response (Bolton and Drew, 1991; Tse and Wilton, 1988), an emotional answer (Cadotte and Turgeon, 1988; Halstead, Hartman and Schmit, 1994; Westbrook and Reilly, 1983) and as a result of a development process (Oliver and De Sarbo, 1988; Tse and Wilton, 1988; Swan, 1992; Erevelles and Leavitt, 1992).

Although the literature contains diverse meanings of the definition of satisfaction, they all share common elements. When examined as a whole, three general components can be identified: (i) consumer satisfaction is a cognitive and emotional reaction; (ii) the reaction belongs to a particular focus, (iii) the reaction occurs in a particular period (after consumption, after choice based on experience and expressed before and after choice, after consumption, after extensive experience of using).

From the literature it also seems that there is not a general consensus regarding the nature of this concept. If some authors argue that consumer satisfaction results from a specific transaction that occurs at a given time and by the benefits and value of the transaction, others see consumer satisfaction in terms of cumulative overall satisfaction, based on all contacts and experiences with a company and the client's experience until a certain moment.

Dissatisfaction has been the focus of extensive research in the services area (Swan and Combs, 1976; Maddox, 1981; Cadotte and Turgeon, 1988; Johnston, 1995; Edvardsson, 1992, 1998, Liljander, 1999). From the literature, once again, contradictions amongst authors tend to arise. According to some researchers satisfaction and dissatisfaction are two different concepts, that is, the consumer can be satisfied or dissatisfied according to the level of received quality. However, for some other authors, the two concepts are not opposing, but rather a continuum, in that, some determinants tend to be, firstly a source of satisfaction and others a source of dissatisfaction.

RESEARCH METHOD

The research clarifies the key dimensions of services quality that influence customers' perceived quality. It also explains how the perceived quality influences customers' satisfaction and dissatisfaction. In addition, the study explores and expands on findings or current theories about the differences and the relationship between satisfaction and dissatisfaction. Evidence was found that there are two different realities in the market: the customers' and the non-customers' complex perceptions. Finally, the research identifies the relevance of the zone of tolerance and its relationship with quality and satisfaction.

The use of a case study approach seemed to be appropriate in this research. Within qualitative methodologies, a case study strategy was adopted, based on the interaction between theory and empirical data. Yin (1994) defines case study as an empirical study that investigates a contemporary phenomenon in real life context, especially when the boundaries between the phenomenon and context are not clearly evident. In terms of features associated with the processes under study, it seems important to focus on contexts in which the phenomena developed. Moreover, this method allows the focus on perception

processes more than outcomes, and how the participants interpret their experiences and give them meaning.

Exploratory and “how” questions are being posed, and the researcher is focused on a contemporary phenomenon within its real-life context (Yin, 1994).

The research objective was to describe and understand processes and relationships in a consumer services organization. Attention was drawn to the processes, which was the study’s unit of analysis. The focus of analysis of this research was teams, groups and departments.

Data was collected by the means of both interviews and focus groups. The interviews focused on the company’s perspective of quality and customer satisfaction, while the focus groups with customers and non-customers provided the market’s point of view. The interviews included people from different functional areas (operations and marketing) and hierarchical levels (executive vice-president, director of technical systems, director of marketing and communication, manager of operational safety, lawyer and supervision of securities and marketing manager - processing of complaints and suggestions). Specifically, the analyzed documents consisted of: annual company reports, market research on service quality and satisfaction and internal memos.

In addition to the interviews, focus groups were conducted outside the company with customers and non-customers. The main objectives of the focus groups were to identify the most important determinants of satisfaction and dissatisfaction of both customers and non-customers, and to obtain or draw up a list of the determinants considered most relevant and most often expressed by the participants.

A pilot focus group was carried out to test the discussion guide and the survey. Subsequently, four focus groups were made. There were a total of 26 people involved (men and women). The age range of the participants selected was 13-35 years of age, this because prior studies had indicated that 65 percent of the customers using the metropolitan were within this age range. The selection criteria used aimed at selecting participants consisting of customers who use the metropolitan, at least once a week and non-customers who had never used this transport service.

The focus groups were recorded and handwritten transcription notes were taken for later analysis. The focus sessions were divided in two distinct parts. Initially, the discussion focused on the reasons that would lead customers to use or not use the metropolitan. Subsequently, the focus was shifted towards the determinants of satisfaction and dissatisfaction and on the characteristics that are most valued in this service.

The process of analysis and interpretation of data began with the transcription of the interviews and group focus. All of this met with the objectives of the research, including with comparing and contrasting the different views of stakeholders on issues of the research and allowed for individual analysis and comparisons of the case study.

Data was also analyzed and grouped, then codified and reduced employing a systematic approach that complies with that proposed by Miles and Huberman (1994). In this research the process of data reduction began before its collection, by developing the research questions and model of analysis.

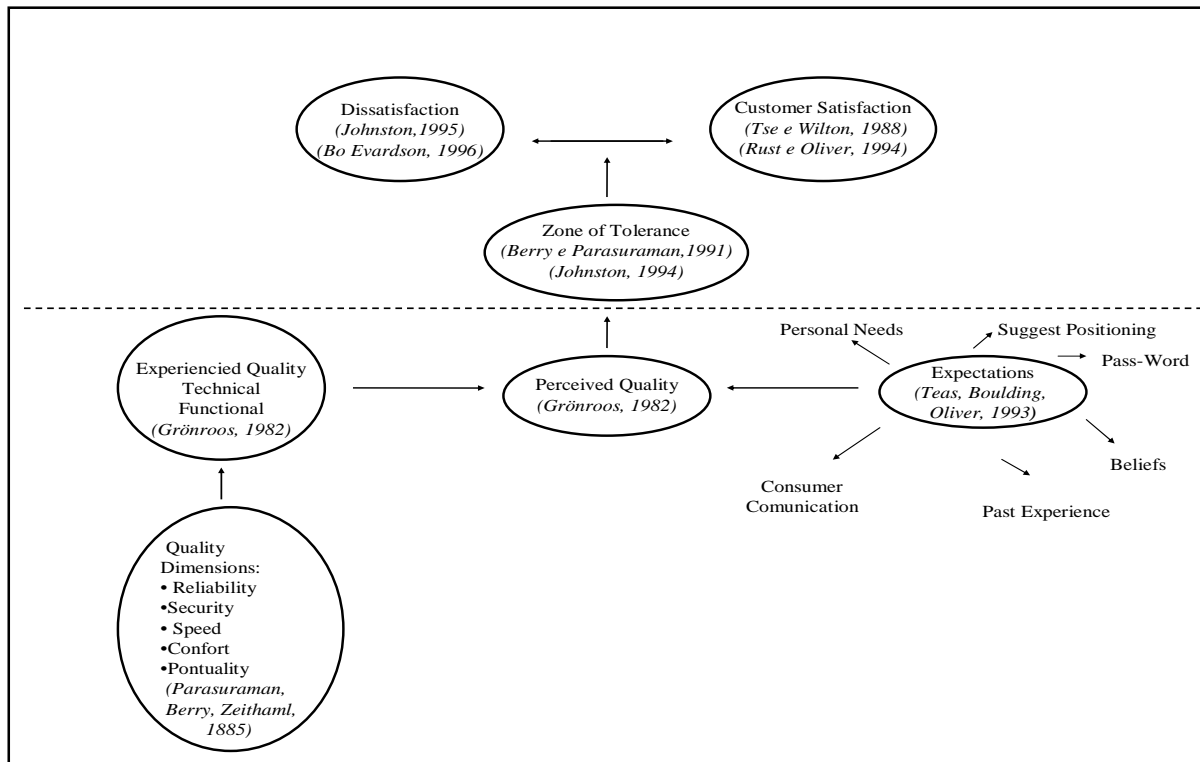
The model of analysis developed would examine how quality relates to satisfaction and how this relationship takes place in a public transport services company.

To ensure coherence and reliability of the empirical data or study, the elements which were under investigation and their respective variables were defined, as outlined and presented in the diagram of Figure 1.

According to Figure 1, the relationship between quality and satisfaction may be understood through a clarification of how customers evaluate the dimensions of quality.

The zone of tolerance appears to be used as a unifying link between expectations, performance and results.

Figure 1: Model of Analysis



Performance evaluations lead to an overall evaluation of service satisfaction, the results of which can be resumed to either satisfaction or dissatisfaction in general terms. The zone of tolerance emerged as important in the understanding of the relationship between quality and satisfaction.

RESULTS AND FINDINGS

The study results point out two main perspectives. One related to the level of service quality in its main dimensions. It was concluded that reliability, security, speed, comfort and punctuality are the quality dimensions of greater importance for the public transport services company. Secondly, the study explores satisfaction and their determinants. The results showed that the dimensions of satisfaction for the company were exactly the same as those of dimensions of service quality, in particular, security, reliability, comfort and speed. This analysis shows us that the company does not distinguish quality from satisfaction. Evidently, it seems that the dimensions of quality and the determinants of satisfaction are identical. There appears to be no clear difference between quality and satisfaction, findings that are no surprising.

The main objective of this research is to understand the relationship between quality and satisfaction. It was found that the organization under study does not make a distinction between these two concepts, therefore focus groups with the company's customers were also conducted and undertaken. The objective would be to determine and discover the main determinants of satisfaction, comparing them with results obtained in the organization. In the focus groups it was found that customers value exactly the same determinants of satisfaction as those of the company, in particular comfort, punctuality, speed and reliability. One exception is safety, the conclusion being that customers assume from the outset that the metropolitan is safe.

As the results indicated, the conclusion is that customers valued the same determinants of satisfaction as those of the company, it also helped to further understand the views of non-customers, from which we can conclude that the most mentioned determinants were reliability, comfort and cleanliness, security and punctuality.

For these reasons it is concluded that despite the literature's stipulation of the existence of a distinction between the constructs of quality and satisfaction, this study found that the company, non-customers and customers clearly do not make such a distinction. It seems that business, customers and non-customers all use the dimensions of quality to describe satisfaction. A more careful analysis of the case leads to the conclusion that quality and satisfaction are not entirely distinct and there is also a relationship between the two concepts.

The relationship between quality and satisfaction exists when satisfaction is guaranteed. Their ability to meet the needs of the consumer with the service, must take into account the quality of service and its dimensions.

Another view shown in this paper was the distinction between satisfaction and dissatisfaction. The study acknowledges that for non-customers satisfaction and dissatisfaction are opposing concepts. Moreover, the determinants of dissatisfaction are exactly the opposite of satisfaction, namely: reliability/failure to comply with schedules; comfort and cleanliness/discomfort and dirt; security/insecurity; punctuality/failure to comply with schedules.

An interesting finding is that, these results are in line with literature. For customers there is no such relationship between satisfaction and dissatisfaction; dissatisfaction in this case is commonly associated with the technical aspects of the service. It is therefore not clear to customers that satisfaction is the opposite of dissatisfaction. While for the company, the conclusion is that these concepts are contrary, when referring to comfort/discomfort; security/insecurity at night/delays and robberies.

Finally, the results for customers and non-customers tolerance zones were examined. The paper confirms that customers have a greater tolerance zone towards the service than non-customers, this is, non-customers are less tolerant to failures than customers. This conclusion is evidenced by the customers when they say that in the event of failures or problems with the service, such as delays, lack of cleanliness and lighting, or lack of seating, these reasons alone would not lead to abandoning the service.

It is concluded that in the case of customers there may be some oscillation in the levels of satisfaction (very satisfied, satisfied, unsatisfied) within the zone of tolerance. Non-customers are less tolerant. In these discussion groups' several situations or scenarios of dissatisfaction emerged that would cause abandoning the service, including failure to comply with the vehicle schedules, frequency of carriages and disabled access to the stations.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

This study answering RQ1 expands on existing knowledge by identifying that service quality dimensions serve as points of departure for companies to develop action plans and strategies that generate perceptions of quality by customers. Thus, for each type of service there may be a specific set of different dimensions of quality, in that they assume different orders of priority. Additionally there is yet another possibility that each organization may have dimensions that are specific to each/its sector. The classification of the service quality dimensions is important because each one brings different approaches, which help the managers of the companies providing services to understand the importance of each dimension and their impact on customer satisfaction. The empirical data of this case indicates that reliability, safety, speed, comfort and punctuality are the dimensions of service quality which the organization believes most influence the perceived quality. This study also clarified and thus contributes to identify the key dimensions of service quality that influence the perceived quality service, in a specific means of public transportation.

Furthermore, this study shows that if the dimensions of service quality are assured then the customers achieve a degree of satisfaction and dissatisfaction in accordance with their needs. The research results also showed that depending on the subway line that is used by a particular customer, he/she usually chooses the same dimension as a priority, according to the satisfaction of his/her needs. The research results showed that a client that uses for example the yellow line gives preference to the quality dimensions of frequency and speed, since the choice of this line indicates the need to get to the city centre quickly. The customers who already choose the red line value the dimension of comfort, because it is a line with a more extensive network, which is important for the customer who wants to get a seat. From this we can conclude that if the principal dimensions of quality for customers are guaranteed, they will be satisfied or dissatisfied.

There seem to be several implications of this study for service management. The first practical implication seems to be that it is important to reveal that if the managers know which dimensions of quality service their customers most value, (depending on the type of service we are dealing with), the customers may become more satisfied. This will occur because the organization will know specifically which dimensions of service quality will further satisfy the customers. Thus, organizations can focus their efforts on improving and increasing the dimensions of service quality which generate satisfaction.

The second managerial implication appears to be the evident need for clarification of the link between satisfaction and dissatisfaction. In terms of contribution to management, it is important that managers recognize that satisfaction and dissatisfaction are on a continuum, and that knowing of the dissatisfaction factors specifically, these can then be transformed into satisfaction, thus preventing the loss of a customer in a specific service.

The third practical implication shows that for the non-customers if the companies and the managers know what quality dimensions this group value most, the company can focus investment on the development of these, including increasing the ability to attract new customers and tailor marketing and communication campaigns with a view to achieving this.

The number of contributions presented serve not only to increase knowledge of the relationship between quality and satisfaction, but also encourages reflection on a topic which should be of utmost importance for managers and the vast majority of service companies, who are faced with the need to offer quality of service in its main dimensions and the consequent satisfaction of their customers. It is also expected that the contributions of the study encourage businesses and their managers to connect with their customers and non-customers. As regards the customers it is important that the company be aware of the

quality dimensions that they value most in order to tailor the service to their needs, maximizing satisfaction.

STUDY LIMITATIONS AND FUTURE RESEARCH

This paper has limitations which are expected to be addressed in future studies. The limitations can be divided into three groups, namely: selection of the case and the process, limitations in data collection and finally the limitations of data analysis. One of the limitations is the small number of cases studied in public transport services which determines the strength and spread or validity of the conclusions.

The inclusion of other cases corresponding to other paradigms or variations of the paradigms used here, will enrich the knowledge acquired.

There were a range of other issues, unable to be explored at this time, which could enrich the research. There were other issues that emerged and seemed interesting but again, given the constraints, were not fully explored. Another aspect was the identification of the factors that influence the formation of consumer expectations. When the interviewees were asked, in an open ended question, what factors influence expectations, the answer was unanimous: communication with other consumers. Nevertheless, other factors could have been further explored. It would be even more interesting to emphasize the importance of expectations in a pre and post-consumer, or take into account the role of emotions in the construction or development of satisfaction and dissatisfaction of the customer.

Replication of this study could be carried out in different public transports, which may be compared with another company in the sector. Furthermore, it would be interesting if the theoretical relationship model proposed had an emotional and experimental element.

This study could be performed in different scenarios, particularly in areas of different service industries, such as luxury hotels chains, or telecommunications network providers. In addition to providing other results, these would undoubtedly further enrich the data already available.

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