DOES THE CONSEQUENCES OF OVERALL SERVICE QUALITY AND TRANSACTION SPECIFIC SERVICE QUALITY DIFFER?

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**ABSTRACT:** The goal of the present paper is to propose an integrated model that assessing the relative impact of “overall service quality” and “transaction specific service quality” on customer (dis)satisfaction, complaint behavior, word of mouth and repurchase intention independently. A model is proposed that integrates the overall service quality and transaction specific service quality under a single framework. The paper uses confirmatory factor analysis and structural equation modeling to analyze and confirm the conceptual model proposed in this research. According to findings, consumers feel dissatisfaction and complaint if they perceive transaction specific service quality low. However, overall service quality significantly effects loyalty and word of mouth behavior of hotel visitors.

**KEYWORDS** – Transaction specific service quality, Overall service quality, Hotel Industry, Behavioral Consequences

**INTRODUCTION**

The consistent increase in hotels in Turkey and the rest of the world has resulted in intensive competition. As a result, service providers should distinguish their service offerings by meeting the needs of their customers better, satisfying these customer needs and by obtaining service quality perceptions that is higher than that provided by the competition (Bitner and Hubbert, 1994; Reichheld and Sasser, 1990).

In considering perceptions, it is also important to recognize that customers will have perceptions of single, transaction specific encounters as well as overall perceptions of a company based on all their experiences. Research suggests that it is important to understand all these types of perceptions for different reasons and that the viewpoints are complementary rather than competing (Zeithaml, Bitner and Gremler, 2009: 103-104). Because services often are produced in the presence of the customer during the so-called service encounter, service firms need to be particularly sensitive to transaction specific service quality perceptions of consumer. The situation-specific nature of service delivery and service failure give a chance of recovery of poor service and avoid harmful outcomes. So, understanding perceptions at the transaction-specific level is critical for diagnosing service issues and making immediate changes. These single transactions and experiences are also constitutes the overall
evaluations. Whereas, according to Zeithaml, et.al. (2009: 103-104) the antecedents of overall loyalty to a company are these total experience evaluations.

According to customer’s view, idea about a service occurs in the specific transaction, during the interaction of customer with the service firm. Although customers obtain a picture of the organization’s service quality with these transactions, each transaction contributes to the consumer’s overall evaluations. Thus, from the organization’s point of view, each encounter presents an occasion to demonstrate its service quality and to increase customer loyalty (Zeithaml, et.al., 2009: 119-120).

Besides, the service quality agenda has now shifted to the issue of transaction specific service quality involves understanding the impacts of service quality (Parasuraman et al., 1994). Despite a significant interest in transaction specific service quality and its effects, there are a few researches (such as, Tian-Cole and Crompton, 2003) which have examined the effects of service quality dimensions on (dis)satisfaction and behavioral intentions. Whereas, negative perceptions at the transaction specific level do not essentially mean that overall evaluations of quality will be negative. Visitors can have perceptions of high overall quality even though they think service attributes have low quality (Tian-Cole and Crompton, 2003). So, we can ask that; do the effects of transaction specific and overall service quality will differ on behavioral consequences.

In this manner, service quality has become one of the most core marketing priorities since this is a prerequisite for consumer behavior (satisfaction, complaint, repurchase intention and word of mouth (Ryu et al., 2012). Numerous studies (Zeithaml et al., 1996; Burton et al., 2003) consider the relation among service quality and consumer behavioral consequences. For example, according to a model present by Zeithaml et al. (1996), high service quality (as viewed by the customer) often leads to favorable behavioral intentions while a low service quality tend to lead to unfavorable behavioral intentions. Such as, a group of researchers believe that service quality is a significant predictor of satisfaction which may in turn lead to favorable behavioral intentions (Brady and Robertson, 2001).

Employing a qualitative approach, the present study investigates the foregoing question and intends to provide insight into perceptions of hotel service quality and behavioral consequences. Thus, we focus on (dis)satisfaction and repurchase intention because it is an important theoretical as well as practical issue for most marketers and customer researchers (Zeithaml et al., 1996; Baker and Crompton, 2000). High quality can lead to satisfaction (Anderson et al., 1994; Anderson and Sullivan 1993; Churchill and Surprenant 1982; Tse and Wilton 1988) and repurchase intention (Boulding et al., 1993; Zeithaml, et.al, 1996). High quality may also encourage favorable word of mouth (Zeithaml, et.al, 1996; Olorunniwo et al., 2006) and low quality may be a great resistance among customer complaints (Zeithaml, et.al, 1996). However, despite tremendous interest in word of mouth, no research has explored the effects of overall and transaction specific service quality on word of mouth and complaint behavior individually.

This paper attempts to fill these gaps and makes important contributions to the existing literature. The purpose of the study was to examine the relationship between service quality and consumer behavior in a detailed and different context in Turkish hotels. Therefore, the objective is to investigate the effects of overall and transaction specific service quality on consumer behavior (customer (dis)satisfaction, complaint behavior, word of mouth and repurchase intention) independently.
LITERATURE REVIEW

Behavioral Consequences of Service Quality
The conceptual model of the study describes the behavioral consequences of service quality. Model shows the favorable and unfavorable behaviors that customer tend to after an evaluation of service quality. Basically, a large number of frameworks and models have been developed for measuring the relation among service quality, satisfaction, repurchase intention, word of mouth and complaint behavior. Adequate study has given importance to researches relating to service quality and satisfaction in the tourism (Baker and Crompton, 2000; Childress and Crompton, 1997, Crompton and Love, 1995; Crompton and MacKay, 1989; Crompton et al., 1991; Filiatrault and Ritchie, 1988; Hamilton et al., 1991; LeBlanc, 1992; MacKay and Crompton, 1988, 1990; Vogt and Fesenmaier, 1995).

The relation between service quality and satisfaction is conceptualized in two different ways. One approach is, service quality and satisfaction based on the familiar theoretical source, the conceptualizations of the two constructs are related (LeBlanc, 1992; Crompton and Love, 1995; Brown, 1988). Authors believe that service quality and satisfaction are the similar constructs where the two terms are used interchangeably as synonyms (Tian-Cole and Compton, 2003).

In contrast to those, there is a broad consensus that service quality and satisfaction are different constructs. For example, according to Parasuraman et al., (1988) service quality is an overall judgment, while satisfaction is a transaction specific judgment. Also, a substantial amount of research has reported a causal link between service quality and customer satisfaction (e.g. Anderson and Sullivan, 1993; Bolton and Drew, 1991; Cronin and Taylor, 1992; Woodside et al., 1989). For example, Cronin and Taylor (1992), find a positive correlation with service quality and customer satisfaction. However, an important issue raised by Cronin and Taylor (1992) is the nature of the link between customer satisfaction and service quality. This is a composite subject because the difference between the two concept is uncertain as well as the causal direction of their relationship (Parasuraman et al., 1994). On the basis of this distinction, service quality studies have determined the relation as from transaction-specific considerations to overall assessment (i.e., satisfaction causes service quality).

As it is mentioned before in the services marketing literature overall service quality has been broadly argued and approved as an antecedent of repurchase intention which means that if a consumer perceives high service quality than this may cause positive repurchase intention, while low service quality may cause negative repurchase intentions (Lee, Lee and Yoo, 2000). It should be noted that, in hotel management an improvement of service quality, will create loyal visitors who are satisfied with their destination selection, will return to same destination, and who will recommend it to others (Tian-Cole and Crampton, 2003). Also, according to disconfirmation theory both, dissatisfaction (Singh, 1988) and service quality may lead to consumer-complaining behavior (CCB). It is important for hotel management to study consumer complaint behavior, in order to improve consumer perceived service quality (Ngai, Heung and Chan, 2007).

The discussion in the foregoing literature suggests that though service quality is positively related with favorable behavioral intentions and negatively associated to unfavorable behavioral intentions, contribution of the paper is to examine these associations for
transaction specific and overall service quality individually. So the discussion in the following part will denote the transaction specific and overall service quality concepts.

**Overall Service Quality and Transaction Specific Service Quality Conceptualization**

In previous studies (e.g. Parasuraman, et.al., 1988) service quality have acknowledged as an overall assessment whereas satisfaction is a transaction specific evaluation. However, this argument has changed both in service quality literature and the customer satisfaction literature. In the service quality literature, Teas (1993, p. 30) confronts this point of view by stating that “Service Quality” can be conceptualized as either “transaction specific quality” or “relationship quality”. Parallel with Teas’s (1993) argument, Parasuraman et al. (1994) and other researchers (e.g., Dabholkar 1993; Crompton and Love, 1995) also argue that service quality can be operationalized as either a transaction or as a cumulative construct. In addition, Tian-Cole and Crampton’s (2003) study verified that service quality and satisfaction are exists on both transaction specific level and on an overall level.

According to Boulding et al. (1993) “overall service quality” represents consumers’ global evaluations of the service. They stated: ‘We believe customers average/integrate past experience with the firm and their latest service encounters in making a cumulative assessment of the service quality level of the firm’. The term "transaction" in this framework can be used to represent a service event (e.g., a single visit to a hotel) or single part of a continued relation between a customer and firm (e.g., that a hotel guest could have numerous relations with hotel staff, facilities, and services) (Parasuraman et.al., 1994). Thus, in some researches (Cronin et.al, 2000) overall service quality instrument consisted of three overall direct measures of service quality (OSQ). Because, Olorunniwo et.al. (2006), indicates that it is ineffective to evaluate service quality that is measured by SERVQUAL as a global concept where they suggest that SERVQUAL is a situation (transaction) specific instrument. Also, Parasuraman et.al. (1994) specifies that, although the SERVQUAL instrument, in its present form, is intended to ascertain customers' global perceptions of a firm's service quality, modifying SERVQUAL to assess transaction-specific service quality is a useful direction for further research (Parasuraman et.al., 1994).

So, however the distinction between overall and transaction specific service quality and measurement ways of these constructs considered by researchers, too few have investigated (Cronin and Taylor, 1992) the effects of overall service quality and transaction specific service quality on customer behavioral consequences independently. However, negative perceptions at the transaction specific level do not necessarily mean that overall assessments of quality of performance or visitor satisfaction will be negative. For instance Lue et al. (1996), specifies that “service attributes were compensatory and cumulative” (Lue et al., 1996), for this reason people may have insights of high overall quality while they think service attributes have low quality (Tian-Cole and Crompton, 2003). For instance, the results of a study (Spreng et al., 2009) show that, the effects of individual transactions (transaction specific quality) on intentions are mediated by cumulative (cumulative quality) construct. One of the major research that conceptualize service quality as both transaction specific and overall is Tian-Cole and Crompton’s (2003) where they state that, at the transaction level, quality of performance (service quality) contributed to quality of experience (satisfaction) where at the overall level service quality is determined by satisfaction. Similarly, Gonzalez et al. (2006) stated that perceived service quality at a transaction specific level effects consumer satisfaction. Besides, Baker and Crompton (2000) examine the relationship between quality of performance (service quality at transaction level) and quality of experience (satisfaction at
Due to the results of their study, transaction specific quality had a significant direct effect on satisfaction. In addition, According to Osman et al. (2009), in order to preserve the brand image and enhance brand loyalty (build customer loyalty), a customized service was apparent for customers. Therefore, the customers of hotel, which focused on a transactional approach to marketing, appeared to have a stronger emotional tie to the brand than with the individual hotel units. Furthermore, Hulten (2007) advocates for the development of a degree of “relationship quality” that can shift the customer- and service-provider interaction from a one-time transaction to a longer-term relationship. As a result, “transaction related services” that are: guest room cleanliness, maintenance, and attentiveness of staff affects the hotel guest satisfaction (Ramanathan and Ramanathan, 2011).

Building on this notion we propose (1) a transaction-specific service quality conceptualization and (2) an overall service quality effects the customers' behavioral consequences.

**H1**: Overall service quality has significant and positive effects on satisfaction (a), repurchase intention (b), positive word of mouth (c), and has negative effects on complaint behavior (d).

**H2**: Transaction specific service quality has significant and positive effects on satisfaction (a), repurchase intention (b), positive word of mouth (c), and has negative effects on complaint behavior (d).

**METHODOLOGY**

**Sample and Instruments**
Due to the exploratory nature of this study, a quantitative approach was employed to investigate the behavioral consequences of overall service quality and transaction specific service quality. The questionnaire has been performed face-to-face on a sample of 320 Turkish consumers who stayed in 2 hotels in Ankara and in 2 hotels in Antalya, Turkey. The respondents were selected at random and surveyed after they had finished their visit in the hotel. 46.5 % of respondents are males, 56.4 are university graduates, 42.5% percent are visiting Ankara for recreation and their average age is 37 years old. The measuring tool for the research was a questionnaire containing 33 items. Throughout this research, positive word
of mouth were measured using a 5-point Likert scale between *strongly agrees* and *strongly disagrees* (3 items) that is based Silverman (2001)’s levels. Consumer’s evaluation of the transaction specific hotel quality was measured using SERVQUAL (Parasuraman, 1985, 1988), overall service quality was measured with a Likert-type scoring format, ranging from “poor” to “excellent,” “inferior” to “superior,” and “low standards” to “high standards” (Cronin et al., 2000). Repurchase intention was also measured using a 5-point Likert scale between *very low* and *very high* (3 items) (Lee, Lee and Yoo, 2000). The measurement of consumer’s satisfaction with the hotel was measured using a 5-point Likert scale between *strongly satisfied* and *strongly dissatisfied* (3 items) (Oliver, 1997). Finally, the intensity of complaints was measured by 5-point Likert scale that 1 represents *absolutely complain* and 5 represents *no complain*. Scale is constructed based on the scale that Liu and McClure (2001) used in their research.

**DATA ANALYSIS AND RESULTS**

*The testing of reliability, measurement model and validity*

Cronbach’s alpha was used to assess the reliability of multi item scales for each construct. Based on the reliability analysis results, no items were changed the alpha and no item was eliminated. Cronbach’s alphas were computed again: word of mouth (0.71), transaction specific quality (0.86), overall service quality (0.74), dis/satisfaction (0.74), complaint behavior (0.72), and repurchase intentions (0.86). These results showed that all the alpha coefficients were over the cut-off point of 0.7 (Hair et.al. 2000:391), suggesting a high level of internal consistency for each construct.

In addition the confirmatory factor analysis (CFA) results provided further support for the convergent validity of measures because the estimated loadings for all indicators are significant at p , 0.001 (Anderson and Gerbing, 1988). The measurement model was also found to fit the data well, according to the goodness-of-fit indices ($\chi^2 = 667.16$, df= 244, RMSEA = 0.076, CFI = 0.82, NNFI =0.80) from CFA.

*Results of Structural Model*

In order to reach the aims of the present research, Structural Equation Modeling (SEM) was used. The structural model was also found to fit the data well, according to the goodness-of-fit indices ($667.16$, df= 244, RMSEA = 0.076, CFI = 0.82, NNFI =0.80). The explained variances by predicting transaction specific quality were 76 percent (dis/satisfaction) and 24 percent (complaint behavior). The explained variances by predicting overall specific quality were 47 percent (repurchase intentions), 32 percent (word of mouth). According to the structural model testing presented in Figure 2, transaction specific quality ($\gamma_{11} = 0.24$, $t = 2.87$), were positively influenced complaint behavior and ($\gamma_{12} = 0.76$, $t = 9.93$) were positively influenced dis/satisfaction, supporting H2a and H2d. These results rejected H2b and H2c. However, overall service quality ($\gamma_{21} = 1.03$, $t = 11.32$), were positively influenced repurchase intentions, supporting H1b and the results rejected H1a, H1c and H1d.
As shown in figure 2, transaction specific quality served as a stronger predictor of satisfaction ($\gamma_{12} = 0.76$, $t = 9.93$) with respect to complaint behavior ($\gamma_{11} = 0.24$, $t = 2.87$). Likewise, overall service quality ($\gamma_{21} = 1.03$, $t = 11.32$) was found to be the only positive antecedent to repurchase intentions. Thus, overall service quality was not related to complaint behavior, satisfaction and word of mouth. But, there is a chain relation among overall service quality, repurchase intention and word of mouth. So it will be significant to test the mediation effect between these constructs.

**Mediation test**
To more fully understand the relationships between; overall service quality, repurchase intention and word of mouth, this study tested whether customer repurchase intention mediating the overall service quality and word of mouth relationship. In order to measure mediator effect, the suggestions taking place in the study of Baron and Kenny (1986) were followed.
Table 1. Results of Regression Analysis Concerning the Effect of Behavioral Intention between Overall Service Quality and Word of Mouth

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Model 1-1</th>
<th>Model 1-2</th>
<th>Model 1-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>BI</td>
<td>0.390*(10.654)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WOM</td>
<td></td>
<td>0.118*(14.539)</td>
<td>0.114*(11.428)</td>
</tr>
<tr>
<td>OSQ</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WOM</td>
<td>-----</td>
<td></td>
<td>0.119*(11.428)</td>
</tr>
</tbody>
</table>

Note: values within brackets are t-values; * significant at p, 0.1 level.

The three linear regressions established in order to examine the mediator effect of perceived usefulness resulted in significance at a 90% reliability level. The correlation strengths (Beta coefficients) between the independent variable (OSQ) and the dependent variable (WOM) in the second and third equitation were analyzed. Examining Table 1 shows that the beta coefficient of the third equation (0.114) is smaller than that of the second equation (0.118). According to this, repurchase intention has a significant mediator effect at 90% reliability range between overall service quality and word of mouth (Lin et al., 2007). In other words, in order to increase word of mouth, overall service quality has to increase the repurchase intention. Interestingly, overall service quality is not a significant predictor of word of mouth in the SEM, repurchase intention has mediation effect between overall service quality and word of mouth when the regression analysis were applied. This can be due to the strong relationship (r=0.76; r=0.68) among latent variables (tsq, sat/dsat; sat/dsat, wom) where these strong relationships may attenuate the descriptiveness of the variables.

DISCUSSION

Summary of the Study
The results show that, service quality is a significant determinant of consumer behavior. When we observe service quality independently, transaction specific quality is a significant determinant of both complaint behavior and dis/satisfaction of a customer. But, transaction specific quality was not found to be a significant antecedent of word of mouth behavior and repurchase intention. Moreover, this study indicates that, repurchase intention cannot be affected by transaction specific service quality but can be affected by overall service quality. In addition, overall service quality is not a predictor of complaint behavior and dis/satisfaction. While, overall service quality was not a significant predictor of word of mouth, overall service quality can affect word of mouth behavior by the mediation of repurchase intention. Thus, 24 percent of variance in complaint behavior and 76 percent of variance in dis/satisfaction was explained by transaction specific quality. The overall variance explained in repurchase intentions was 47 percent, indicating the proposed model in this study could well predict and explain customer repurchase intentions in the Turkish hotels.

THEORETICAL IMPLICATIONS

Although previous studies explains the effects of service quality on consumer behavior, this study makes important contributions to the hospitality literature by explaining the effects of transaction specific service quality and overall service quality individually. This research
provides an understanding of the role of service quality on consumer behavior by highlighting the differences in conceptualizing the effects of transaction specific approach and overall evaluations. There are only inconsiderable of studies (Tian-Cole and Crampton, 2003) in literature that compare the effects of overall service quality and transaction specific quality on consumer behavior.

From the customer’s view, *specific transactions* provide the notion of service, when the customer interacts with the service firm. For instance, hotel customers experience with the service transactions such as checking into the hotel or checking out while they appreciate the organization’s service quality. Thus, each transaction contributes to the consumer’s overall evaluations. From the organization’s point of view, each transaction will be an evidence for the potential of service quality. The essential point is, if manager distinguish failures in specific transactions he/she can have an opportunity to recover the failure immediately and may increase customer loyalty Zeithaml, et.al. (2009: 119-120). Overall evaluations are much harder to revise rather than transaction specific evaluations, so it is essential to realize service failures in transaction specific level. Otherwise, a negative experience in any one of transaction can lead to a negative overall evaluation (Zeithaml, et.al., 2009: 120) which can turn in to switching behavior of consumer.

In this sense, findings of this research contribute to the related literature by supporting the link both between overall service quality – repurchase intentions and transaction specific service quality – dis/satisfaction and complaint behavior. In particular, the first finding is transaction specific service quality was a significant predictor of dis/satisfaction. Whereas dis/satisfaction is related to a specific transaction (Parasuraman et al., 1991), consumers’ transaction specific evaluation of the service quality is a major determinant for this variable. The present study suggests that a priority should be given to transaction specific quality rather than overall quality to establish satisfaction towards Turkish hotels. Also Tian-Cole and Crampton (2003) indicates that at the transaction level, service quality effects satisfaction. As Zeithaml et.al. (2009: 103-104) indicated understanding the transaction-specific level service quality is essential for making direct changes on behalf of service recovery.

Therefore hotel managers should improve the physical facilities, equipment and staff appearance (hotel staff’s ability to perform service dependably and accurately, hotel staff’s willingness to help and respond to customer need, ability of staff to inspire confidence and trust) according to the complaints of consumer in order to satisfy them. Interestingly, transaction specific evaluations were related to the complaint behavior. This finding highlight the explanation of Stauss (2002) that emphasize complaint behavior can be evaluated in two constructs; one approach is transaction specific and the alternative one is complaint from an overall evaluation. Also this finding may clarified by the expectancy disconfirmation theory (Oliver 1980) that suggests a consumer who will enter a service have expectations (Solomon et al. 1985). Such as the study of Stauss (2002) demonstrates that, if a consumer complains, a failed transaction has been occurred. So, expectancy disconfirmation theory is similarly occurs when a customer enters a service encounter to make a complaint with a service firm, that means customer have similar expectations of how the service provider should respond to his/her complaint (Boshoff, 1999). In other words, these expectations are about what service providers in a hotel should provide during transaction-specific service recovery. Thus, transaction specific service quality can be the determinant of complaint behavior. Therefore, hotel managers should improve physical facilities and staff (in the name of willingness to
help and respond to customer need, ability of staff to inspire confidence and trust) in order to control the complaint behavior and plan a transaction specific service recovery.

A noticeable finding of current study is, repurchase intention can be affected by overall service quality instead of transaction specific service quality. Tian-Cole and Crampton (2003), found that overall service quality and overall satisfaction has direct effect on intention. According to their implementations, attitude refers to the overall evaluation of an entity and service quality at the global level is viewed as attitudes that have impact on intention. Although, many studies have investigated the relationship between overall satisfaction and repurchase intentions, current study could not found a significant relation between satisfaction and repurchase intention. This can be due to the fact that, most of the participants in the study evaluate satisfaction as transaction specific and repurchase intention in a global way. Thus, current study supports the findings of Tian-Cole and Crampton (2003)’s study which is an empirical evidence for the effects of overall service quality on future destination selection intentions. Also, this relation (between overall service quality and repurchase intention) can sustain the study of Zeithaml et.al. (1996) that they deduced as: “The overall findings offer strong empirical support for the intuitive notion that improving service quality can increase favorable repurchase intentions and decrease unfavorable intentions”. Interestingly, although overall service quality is not a significant predictor of word of mouth in the SEM, repurchase intention has mediation effect between overall service quality and word of mouth when the regression analysis were applied. The findings in relation to the mediating role of repurchase intention suggests that consumer word of mouth behavior depends not only on the repurchase intentions, but also to establish an overall service quality. Thus, hotel managers should manage overall service quality in order to build positive word of mouth.

LIMITATIONS AND FUTURE RESEARCH

The findings of this research should be interpreted in the light of the following limitations. Firstly, a convenience sampling approach was used to collect data from hotel customers who are accommodating in Ankara and Antalya-Turkey. Thus, the generalization of the results needs to be attentively accomplished. Secondly, in current study five star hotels were investigated but analyses have to be applied to the other types of hotels and then the findings should be interpreted. Future studies may expand this research by analyzing the effects of transactional and overall service quality on different variables such as repurchase intention or loyalty. Also, in the future more hotels may be included to increase the reliability of the research. In addition, potential researchers may include moderating variables into the proposed model. For example, satisfaction after a service recovery can be included in the proposed model and service recovery may have a moderation effect on the relation between transaction specific quality and satisfaction. Further research would be necessary to extend our findings by incorporating situational characteristics (e.g., firs timers vs. repeaters) as moderators into the conceptual framework.
REFERENCE


