The Influence Of Explicit And Implicit Service Promises On Asian Students’ Expectations Of Overseas Universities.

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Abstract

Despite past studies that explore the typical factors that influence Asian consumers’ decision making processes little has been done to address the influence of information sources on their expectations of services. This study addresses this gap by exploring Asian consumer’s information and knowledge sources (explicit service promises such as advertising, personal selling and implicit service promises such as tangibles and price) that influence their expectations prior to choice of overseas higher education. The study applies Zeithaml, Berry and Parasuraman’s (1993) model that proposes that a customer’s level of expectations is dependent on several antecedents. Results indicate the three most influential sources of information on Asian students expectations of universities are: past experiences, advertising and word of mouth. The findings suggest that the more explicit and implicit service promises the respondent is exposed to; the higher the desired and predicted expectations of the university’s service quality. However their level of expectations (both desired and predicted) is considerably greater when exposed to explicit service promises. The findings also suggest that measuring the influence of these information sources provides insightful information for universities when developing marketing communication campaigns.

Keywords: Asian consumers, information sources, pre-purchase expectations, service quality

Background

Enormous growth in the global demand for international higher education has been forecasted, rising from the present 1.8 million customers to 7.2 million by 2025, with Asia, particularly China and India, representing 70 per cent of this growth (Bohn, Davis, Meares and Pearce, 2002). Asia remains the main source of international students for Australia, representing more than three quarters of Australia’s overseas student market with China, Hong Kong, and Korea at the top of the list (AGPRIS, 2003). To fully capitalise on this growth, it is important for universities to understand Asian consumers and their expectations of overseas higher education (Pimpa, 1999). Past research shows that for students who ultimately withdraw from higher education, their decision usually can be traced to the first few weeks of enrolment and the expectations they possessed (Yorke, 2000).

Expectations of Service Quality

Expectations serves as the standard of comparison (Parasuraman, Zeithaml, and Berry, 1985; Zeithaml, Berry and Parasuraman, 1993), whereby consumers compare ensuing service encounters with their expectations, ultimately results in the evaluation of service quality and/or satisfaction. Although expectations has been measured in several contexts including dental schools, higher education institutions, discount and department stores, real estate, public recreation programs, hospitals, and physicians in private practice (Johnson et al., 1988; Brown and Swartz, 1989; Crompton and Mackay, 1989; Carmon, 1990; Finn and Lamb, 1991; Babakus and Mangold, 1992; Teas, 1993) little has been done to address how expectations of consumers from different cultures vary. In particular, past studies on how Asian consumers’ form service quality expectations prior to choice is limited with the general focus on post-choice evaluations.
Most researchers agree that consumers’ service quality expectations prior to a service encounter impact customers' evaluation of service performance and customer satisfaction (Bitner, 1990; Cronin and Taylor, 1992; Oliver and DeSarbo, 1988; Parasuraman et al., 1985; Tse and Wilson, 1988). Despite this acknowledgement, the need for including expectations when measuring service quality has been debated in the literature (e.g. Cronin and Taylor, 1992; 1994). However, Parasuraman et. al. (1994a) provided strong arguments that, while performance measures may only have reasonable predictive value, managers lose key diagnostic information provided by expectation measures. According to the service quality paradigm (Zeithaml, Berry and Parasuraman, 1993), these expectations will greatly influence consumers’ quality evaluation and satisfaction during consumption and post-consumption of services. Therefore it could be argued that expectations play a role in consumers’ decision-making processes. This study uses a notable service quality framework, SERVQUAL, to explore how different information sources impact Asian consumers’ expectations of overseas universities service quality within the five main service quality dimensions (tangibles, responsiveness, empathy, reliability, and assurance) (Parasuraman et. al. 1988). Despite a significant amount of past services marketing research conducted using this framework, for instance in industries such as banking, insurance, securities brokerage, long-distance telephone services, and others (Zeithaml and Bitner, 2000), these past studies lack of insight into how different antecedents impact consumers’ expectations.

Explicit service promises and Implicit service promises

In order to measure expectations, it is important to evaluate the influence of key antecedents such as information sources. According to Zeithaml, Berry and Parasuraman (1993), consumers’ levels of expectations are dependent upon 4 main antecedents. These antecedents are: Explicit Service promises (advertising, personal selling, contracts and other communications), Implicit service promise (tangibles, price), word of mouth (personal, expert) and past experience. From a review of the services marketing literature, alternative conceptualizations of the service quality constructs are also considered in this study. Grönroos (1984), along with Lethinen and Lethinen (1982) identifies corporate image as an important quality indicator for customers. Described as the overall impression made on the minds of customers (Dichter, 1985), image is related to tradition, ideology, business name, reputation and variety of services, and to the impression of quality communicated by each person interacting with customers (Solomon, 1985). The goal of this study is to empirically test which of these information sources of expectation (Explicit service promises, implicit service promise, word of mouth, past experience, image and reputation) are most influential on Asian consumers’ service quality expectations prior to consumption of educational services.

Methodology

Measures Development

Carmon (1990) suggested the SERVQUAL scale could be improved by changing the wording and "adapting the subject of some items to the specific service context at hand" (Moore and Schlegemil 1994, p. 57). In this study, two service quality expectation standards, desired expectations and predicted expectations are incorporated into the original SERVQUAL instrument. By doing so, the ability to understand the formation of pre-purchase expectations should be enhanced for educational service marketers. For example, desired expectations may remain relatively constant as the "ideal" standard but predicted expectations, may change frequently. Service marketers can therefore initially allocate resources to elevate performance above predicted expectation levels. This method would prove a more useful tool in understanding consumers’ pre-purchase service quality multi-expectations compared to the traditional
SERVQUAL (desired expectations only) format. Furthermore, although SERVQUAL has gained acceptance, its validity as a five-dimensional construct and its general applicability across service industries has been questioned (Cronin and Taylor, 1994; Teas, 1994). For example, the use of difference scores has been described as suspect (Carmon, 1990) because of the potential threat of low reliability of the difference score variable (Brown et al., 1993). To counter this, in this study, only the expectation variable is measured rather than a difference between consumers’ expectations and perceptions.

The questionnaire was divided into three parts. The first part of the questionnaire contains 16 items within five SERVQUAL dimensions (reliability, responsiveness, assurance, empathy and tangibles) measuring predicted expectations by asking respondents to respond to a 7-point Likert Scale (where 1= Strongly Agree to 7= Strongly Disagree). Expectations of the sort of quality educational services are measured by asking respondents to rate their predicted expectation for three universities on each dimension at the same time. Within each dimension, respondents are also asked to select the information sources of expectations (explicit and implicit service promises) using a 6-point scale that had the greatest influence on their expectations for that dimension (where 1= Strong Influence to 7= Weak Influence). The second part of the instrument measures the desired expectations by asking respondents about the educational service quality they desire to receive from each of the three universities. The same format as the first half of the instrument is replicated with the only difference of wording and context (using “desired expectations” instead of “predicted expectations”). The final section of the questionnaire is focused on the collection of a few demographic details.

Data Collection

To increase homogeneity, a sample of 252 business major (third year undergraduate level) Asian students from three universities (University A, University B and University C) participated as the respondents. Respondents were chosen from the programmes and classes available within the business school at each university and the self-administered surveys were randomly distributed at the end of the lecture.

Results

Reliability test was performed using Cronbach’s Alpha. The coefficient alpha scores presented in Exhibit 1 (see Exhibit 1) clearly suggest a reliable measurement scale with scores all clearly above the 0.70 level that sets the standard for a reliable measurement scale (Nunnally and Bernstein, 1994). Factor analysis was conducted to assess construct validity and sample adequacy of predicted service quality expectations and desired service quality expectations for each of the universities. Given the research objective is to empirically test the validity and usefulness of the modified SERVQUAL instrument and dimensions in measuring pre-purchase expectations, factor analysis was used to extract the components of the adapted scale. Principal axis factoring (PAF) was applied to assess only the common or shared variance. Error variance and unique variance are estimated and removed from further analysis in PAF whereas principal components analysis (PCA) analyses all variance (Tabachnick and Fidell, 1996). The use of common variance in the estimation of parameters using FA has generally been found to reproduce correlations better than those using PCA (Nunnally and Bernstein, 1994). The initial factor analysis conducted to determine the dimensionality of the 48 items resulted in over 15 dimensions that were not easily interpreted. This result was foreseen due to the fact that the SERVQUAL instrument had been modified and new items and scales had been added to the instrument. Additionally, two types of expectations were being measured rather than analyzing gap scores that the original SERVQUAL was designed to do. Finally, several authors have found the dimensionality of SERVQUAL to be
problematic (Carman 1990). Therefore to address the large number of dimensions and further purify the instrument, a second factor analysis was performed using varimax (orthogonal) rotation with Kaiser normalization. Orthogonal rotation minimises correlations between factors, helping to improve the interpretability and scientific utility of the solution (Nunnally and Bernstein, 1994). It is not used to improve the quality of the mathematical fit of the model as rotated orthogonal solutions are mathematically similar to the un-rotated solution (Cliff, 1966; see Tabachnick and Fidell, 1996). Bartlett’s test for sphericity indicated rejection of the null hypothesis that all correlations between items are zero, though this must be tempered by the fact the liberal nature of this test allows rejection of this hypothesis even when there are a limited number of subjects (Pedhazur and Schmelkin, 1991; Nunnally and Bernstein, 1994). The consistency of factors extraction for predicted and desired expectations constructs for all universities confirmed internal validity of the constructs and sampling adequacy. See Exhibit 1.

Exhibit 1. Summary of Results – Factor Analysis and Reliability tests

Descriptive analysis was performed and frequency scores of results provide that past experiences, advertising and word of mouth were the most influential sources of information. A one-way multivariate analysis of variance (MANOVA) was performed to investigate the differences between explicit and implicit service promises, with regard to their influence on Asian students’ overall expectations towards each university. Preliminary assumption testing was conducted to check for normality, linearity, univariate and multivariate outliers, and multicollinearity, with no serious violation noted. Results suggest a significant difference between the types of sources that influence expectations of each individual university. Refer to Exhibit 2. For example, word of mouth was the most influential source for the University C while “past experiences and advertising” were the most influential sources for University A. Results from cross tabulations suggest the majority of those who hold positive predicted and desired expectations towards all three universities are influenced by a certain information source more than the others. For instance, of those who strongly agreed with the statement “University A will provide prompt service”, 58.1% claim advertising was the most influential source that influenced their predicted expectations of the “responsiveness” dimension of the university. The results further suggest those who held less positive predicted and desired service quality expectations are influenced more by implicit service promises while those who held positive expectations were influenced more by explicit service promises.

Exhibit 2: MANOVA Summary table and the influence of information sources on expectations
The relationship between overall expectations (an aggregation of the desired and predicted expectations) and explicit service promises and implicit service promises was examined using correlation analysis. The correlation coefficient between overall expectations and explicit service promises was 0.7399; significant at the 5 per cent level. Therefore, the more explicit service promises the respondent is exposed to; the higher the desired and predicted expectations of the university’s service quality. Overall desired and predicted expectations were also positively correlated with implicit service promises (0.6192 significant at the 10 per cent level), as one would expect, the correlation was in the same direction; however, it was weaker. This suggests that the more implicit service promises the respondent is exposed to; the higher the desired and predicted expectations of the university’s service quality. However their expectations (both desired and predicted) are not as high or as strong as when being exposed to explicit service promises.

Discussion

The results of the survey attempted to empirically identify which information sources influence Asian students’ pre-purchase expectations of service quality. “Past experiences”, “advertising” and “word of mouth” were the sources that the respondents rated as most influential. The findings also suggest the information source that influences a students’ predicted service quality expectations is most likely to also influence his/her desired service quality expectations (overall expectations). Another interesting finding was that the majority of those who held positive predicted and desired expectations towards all three universities were influenced more by explicit service promises than the implicit ones. This provides major implications to educational service marketers when targeting people who are more likely to possess more positive desired and predicted service quality expectations as they are able to implement their communications strategy more effectively to this group by understanding what sources they are mainly influenced by. This would suggest that universities should target Asian students with strategies such as ensuring positive past experiences for students.

The limitations of this study include the results obtained as not necessarily generalisable or applicable to other service industries or to a global expectations perspective. Perhaps future research could examine Asian students’ formation of expectations based on global factors such as sense of achievement or personal relevance.

References


