Dimensions of Service Quality and their impact on Relationship Quality, and Referral Intention: a study of a High-credence Service.

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# **Abstract** | Dimensions of service quality and their impact on relationship quality and referral intention: a study of a high-credence service.

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What persuades a person to recommend a high-credence service provider to a family member, friend, or work colleague? Their own reputation will suffer if such a recommendation has a poor outcome. There are surely discrete dimensions of service quality, that perhaps when aggregated have such an effect on relationship quality (comprising customer trust and satisfaction), and referral intention, that recommending the service provider proves irresistible. The importance of client word-of-mouth ('WOM') referral for providers of high-credence services cannot be overstated. Re-patronage in most goods or services industries is the overriding objective. However, in certain highcredence service industries, such as residential architecture services, WOM referral is the objective. This is due to the one-off nature of these services. Extant services marketing research is teeming with evidence of the positive connections between, service quality, relationship quality, and referral intention. However, deconstructing service quality into its component parts of technical and functional service quality, we find that these are multidimensional constructs. This paper selects eight service quality dimensions, four each from functional and technical service quality, to test their impact on satisfaction and trust levels, and ultimately on client WOM referral intention. These components are brought together in a proposed conceptual model that is tested using a case study approach on a highcredence service provider. The case study encompassed focused interviews of the service provider's Directors, and their clients. The research finds that the significant antecedents of relationship quality are indeed multiple, and that functional dimensions of service quality play a much bigger role in deciding customer WOM referral intention than the literature advances. Furthermore, many gaps in the services literature, and flawed presumptions on the service provider's part, are exposed. Hence the recommendations, for the company Directors and further research, are many and varied.

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# Table of Contents

|    | List of Figures                                 | vii  |
|----|---|------|
|    | List of Graphs/Tables                           | viii |
| I  | Introduction                                    | 1    |
|    | Research Background                             | 4    |
|    | Interest  | 9    |
|    | Research Gap and Problem Statement              | 10   |
|    | Research Objectives                             | 11   |
|    | Research Design                                 | 12   |
| II | Related Literature                              | 14   |
|    | Introduction                                    | 14   |
|    | Services  | 15   |
|    | High Credence Services                          | 18   |
|    | Service Quality: Functional & Technical Quality | 19   |
|    | Eight Discrete Service Quality Dimensions       | 21   |
|    | Relationship Quality – Satisfaction & Trust     | 24   |
|    | Loyalty via Referral                            | 25   |
|    | Proposed Conceptual Model – Similar Studies     | 25   |
| Ш  | Research Methodology                            | 29   |
|    | Introduction                                    | 29   |
|    | Case Study Strategy                             | 30   |
|    | Philosophy                                      | 32   |
|    | Origins of the Conceptual Model                 | 32   |
|    | Time Horizon                                    | 34   |
|    | Sampling and Sampling Procedures                | 35   |
|    | Primary Research Questions                      | 38   |
|    | Research Instrument                             | 41   |
|    | Data Analysis                                   | 44   |
|    | Data & Theory Triangulation                     | 46   |
|    | Ethical Considerations                          | 47   |
|    | Limitations                                     | 48   |

# Table of Contents Cont'd.

| IV Findings and Analysis                  | 50 |
|---|----|
| Introduction                              | 50 |
| Questions and Selected Interview Excerpts | 52 |
| Directed Themed Content Analysis          | 63 |
| V Conclusion and Recommendations          | 66 |
| Introduction                              | 66 |
| Discussion                                | 66 |
| Discovery                                 | 70 |
| Model Re-Design                           | 71 |
| Practical Implications and Limitations    | 72 |
| Recommendations for Future Research       | 74 |
| Conclusions                               | 75 |
|   |    |
| References                                | 78 |

# List of Figures

| 1.  | Proposed Conceptual Model                     | 9  |
|-----|---|----|
| 2.  | Continuum of evaluation                       | 19 |
| 3.  | Proposed Conceptual Model                     | 21 |
| 4.  | Sharma and Patterson (1999) Conceptual Model  | 26 |
| 5.  | Chen et al. Relationship (2008) Quality Model | 27 |
| 6.  | Eisengerich and Bell (2007) Conceptual Model  | 28 |
| 7.  | Proposed Conceptual Model                     | 28 |
| 8.  | Simplified Model                              | 29 |
| 9.  | Original Conceptual Model                     | 33 |
| 10. | Proposed Conceptual Model                     | 34 |
| 11. | Purposive Sampling Process                    | 37 |
| 12. | Conceptual Model Triangulation                | 47 |
| 13. | Original Conceptual Model                     | 49 |
| 14. | Proposed Conceptual Model                     | 52 |
| 15. | Re-designed Conceptual Model                  | 71 |
| 16. | Finalised Conceptual Model                    | 77 |

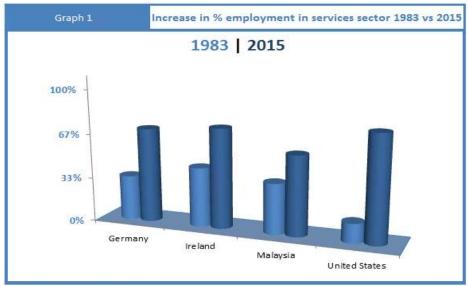
# List of Graphs

|      | 1.   | Increase in % employment in services           | 1  |
|------|------|--|----|
| List | of 7 | Fables   |    |
|      |      |  |    |
|      | 1.   | Services as a contribution to World GDP        | 5  |
|      | 2.   | Differing Views in Service Characteristics     | 16 |
|      | 3.   | Sample Themed Directed Content Analysis 1      | 45 |
|      | 4.   | Sample Themed Directed Content Analysis 2      | 45 |
|      | 5.   | Stages Undertaken under Hybrid Themed Analysis | 46 |
|      | 6.   | Themed Directed Content Analysis Findings 1    | 64 |
|      | 7.   | Themed Directed Content Analysis Findings 2    | 65 |
|      | 8.   | Themed Directed Content Analysis Findings 3    | 65 |
|      | 9.   | Themed Directed Content Analysis Findings 4    | 65 |

# Chapter I | Introduction

The sine qua non for the vast majority of services marketing strategies should be the objective of developing long lasting, mutually beneficial relationships with customers (Berry, 1983; Christopher *et al.*, 1995; Eisengerich and Bell, 2007). The transition from inviting short term, one-off, transactions to developing intimate customer relationships is well ingrained in service providers' thinking (Hsieh & Hiang, 2004).

Such an approach not only promotes re-patronage but also word-of-mouth (WOM) referral. This is the lifeblood of many service industries, especially high-credence services. Furthermore, it makes financial sense considering how important the services' industry has become over the past 30 years – Graph 1 below depicts the increase in services' employment since 1983, across a number of countries.



Source: World Bank (2017)

The services' sector accounts for over 65 per cent of all European employment and over 70 per cent of European gross domestic product (Wilson *et al.*, 2016). Services are the dominant wealth creating component in international economies (Galetzka *et al.*, 2006). In the US they account for 80% of the economy and are an essential part of our

everyday life (Keyser & Lariviere, 2013). The service marketing literature has endorsed this upsurge in the significance of services in our everyday lives. The figurative giants of services marketing research, such as Zeithaml, Lovelock, Parasuraman, Berry, and Grönroos, prolific throughout the 80s, 90s, and beyond, were joined by a plethora of specialists in services marketing academia to the extent that today thousands of articles have been published (Boksnerger and Melsen, 2009), covering all aspects of the subject, albeit, still dwarfed by research on goods marketing literature.

Many research papers have been composed exploring various hypotheses related to services marketing, proposing assorted models, for example: how goods differ from services (Lovelock, 1983); how to measure service quality (Parasuraman *et al.*, 1988); the consumer search and selection process (Mortimer & Pressey, 2013; Murray 1992); endogenous aspects of consumer behaviour, and perceptions, analysis including, inter alia: satisfaction, trust, and loyalty (Sharma and Patterson, 1999; Chen *et al.*. 2008; Eisengerich & Bell 2008; Fraering & Minor 2013; Leverin & Liljander, 2006). Mattila & Wirtz (2002) investigate how customers' knowledge (objective and self-assessed) affects the search and selection process; the influence of customer involvement, in the service delivery process, on customer satisfaction levels is researched by Prenshaw *et al.* (2006); and finally Carilla *et al.*'s (2009) anthological approach with a meta-analysis of service quality; all producing valuable data.

The gamut of services marketing concepts and constructs has been covered, but in certain areas there is a paucity of research. This is certainly the case for high-credence services. In the present study this is the service stratum is embodied by *MakeSpace*. *MakeSpace* is a residential architecture services provider which has high-credence attributes (Bitner, 1990; Lovelock, 1983) and moreover would be considered a high-credence service - those services, that often require the seller to establish the buyer's requirements (Darby & Karni, 1973), that are intangible in nature (Wray *et al.*, 1994),

involve a large degree of information asymmetries between the two parties (Mortimer & Pressey, 2013), and finally where the consumer finds it difficult to evaluate the purchase, even after it has taken place (Smith & Royne, 2010).

This study seeks to bring into sharper focus what customers are actually looking for from their high-credence service providers (Grönroos, 1984), by scrutinising what service quality dimensions acutely affect the customer/service provider relationship, and the customer WOM referral decision i.e. whether to recommend the service provider to family, friends, and work colleagues. More precisely, this research strives to identify the service quality dimensions that significantly influence relationship quality and customer referral intention (Ganesan, 1994; Anderson and Weitz, 1989; Chang *et al.* 2013; Garbarino and Johnson, 1999; Chen *et al.* 2008; Eisengerich and Bell 2007); through a synthesis, and a fresh application, of the relevant standing literature.

The models developed by Sharma & Patterson (1999), Chen *et al.* (2008), and Eisengerich and Bell (2007) examine varying degrees of service quality and their relationship to the ultimate client decision WOM referral (and/or re-patronise) to the service provider. These models are blended and further developed in the present study

The constructs (aggregated concepts) researched are service quality - which consists of multi-dimensional technical and functional components (Grönroos, 1984) - and the higher order construct that is relationship quality (Crosby et al, 1990; Kumar *et al.*, 1995). For this study, relationship quality comprises the abstruse concepts that are satisfaction and trust. The literature largely advances that the standard of technical and functional services of the service provider will determine if they are WOM referred by the customer (Ganesan, 1994; Anderson and Weitz, 1989; Chang *et al.* 2013; Garbarino and Johnson, 1999; Chen *et al.*, 2008; Eisengerich and Bell, 2007, 2008). This is crux of

this study i.e. what elements of technical and service quality do consumer's rate as critical to their levels of trust, satisfaction, and WOM referral decision.

The remainder of this chapter consists of the research background - looked at from various angles including: service quality, relationship quality, and customer loyalty (through the prism of WOM referral) are presented in section 1.1.1, 1.1.2 1.1.3 respectively. The author's interest in the subject matter is presented in section 1.2, with the research gap and research questions detailed in section 1.3. Finally, the organisation of the study accounts for section 1.4.

With regard to the paper as a whole: the literature review will follow this chapter, with research methodology addressed in chapter 3. Chapter 4 will articulate the paper's findings and results while chapter 5 discusses these same findings, and puts forward various recommendation both for the service provider and future research and lastly summary conclusions.

#### 1.1 | Research Background

Zeithaml (1981) predicted that services would account for more than half of a country's economic activity by the end of the 1980's. That mark was reached and surpassed many years ago; with level of world GNP now attributable to services reaching 63%. In monetary terms that is \$47 trillion (World Bank, 2017) – see table 1 on page 5. Although many OECD countries are reaching levels of 80% or even higher - e.g. Sweden is at 85% (OECD, 2017), it is entirely plausible that this figure will grow yet further with the increasing ubiquity of Al and robotics, and their encroachment ever deeper into non-services sectors (Smith and Anderson, 2014).

The services' sector is healthier than it has ever been and is therefore more competitive than it has ever been. Hence, the greater need to understand the dynamics of customer/service provider relationships (Plewa *et al.*, 2014). Service relationships are

complex due to the very nature of services themselves (Nelson, 1970). High-credence services are yet more complex; Bloom and Pailin (1995) capture high-credence services' uniqueness with fantastically abstract "credence situations". This observation lucidly describes the feeling of helplessness that a consumer can experience when dealing with a high-credence service provider, where varying degrees of information asymmetries are at play (Mortimer & Pressey, 2013).

|    | Table 1 Services as a contributor to world GDP |                |        |                 |
|----|--|----------------|--------|-----------------|
| #  | Country  | Nominal<br>GDP | %      | \$ Amount       |
|    | World  | 75,212,696     | 63.60% | \$47,835,275.00 |
| 1  | United States                                  | 17,946,996     | 79.70% | \$14,303,756.00 |
| 2  | China  | 11,218,281     | 51.60% | \$5,788,633.00  |
| 3  | Japan  | 4,730,300      | 71.40% | \$3,377,434.00  |
| 4  | Germany  | 3,494,900      | 71.10% | \$2,484,874.00  |
| 5  | UK   | 2,649,890      | 78.30% | \$2,074,864.00  |
| 6  | France   | 2,488,280      | 79.80% | \$1,985,647.00  |
| 7  | India  | 2,250,990      | 56.90% | \$1,280,813.00  |
| 8  | Italy  | 1,852,500      | 73.80% | \$1,367,145.00  |
| 9  | Brazil   | 1,769,600      | 67.20% | \$1,189,171.00  |
| 10 | Canada   | 1,532,340      | 69.60% | 1,066,50        |

Source: Adapted from Revolvy.Com

These factors distinguish high-credence services from other services, such as hairdressing, where evaluation is infinitely more straightforward (Mattila & Wirtz, 2002). In addition, high credence services impose risks the consumer. He or she faces not only financial and performance risk but also social and psychological risk (Mitra *et al.*, 1999). There is a very real possibility of being made to look naïve. This further exacerbates customer trepidation vis-à-vis dealing with high credence service providers. Therefore the pronounced reliance placed on WOM referral by consumers

when seeking out suitable high-credence service providers (Mitra *et al.*, 1999). Literature examining functional and technical service quality separately (not under the catchall service quality banner) in terms of their influence on relationship quality, in a high credence service setting, is sparse. There is a very real problem here in that there is a gap in the knowledge with respect to this phenomena i.e. the impact the discrete elements of technical and functional service quality have on relationship quality, and on loyalty via WOM referral. This paper intends to fill that gap.

# 1.1.1 | MakeSpace Architects

The entity participating in this case study is *MakeSpace* architects. *Makespace* is a house extension design company that brings together under one roof all the required professional personnel and expertise that a home-owner might require to extend their home. From architectural advice through to completion of the extension on site, they provide a design service that allows the client/customer to choose the price and therefore level of service they require for their particular job. *MakeSpace* consists of architects, structural engineers, quantity surveyors, project managers and building contractors.

#### 1.1.2 | Service Quality – Technical & Functional

According to Zeithaml and Parasuraman (2004) service quality is one of the most important and researched topics in service marketing literature. It can be described as the result of the contract between a customer's expectations about a service with their perception of the actual service (Parasuraman *et al.*, 1985). Technical service quality, sometimes referred to as instrumental performance (Swan & Combs, 1976), refers to the technical process or outcome that the customer received during and after the service has been completed (Keyser & Lariviere, 2013). Frequently, technical service quality can be measured quite objectively by the customer in much the same way as products can (Grönroos, 1984). Where goods and services really diverge is the interaction with the customer. In many instances the customer actually takes part in the service (Bettencourt, 1997), so the

perceived service quality is not only influenced by technical quality but by the manner in which technical quality is transferred to the customer functionally (Grönroos, 1984).

#### 1.1.3 | Discrete Elements of Technical and Functional Service under Examination

The four components of technical service quality, with regard to their influence on relationship quality are:

- Service provider Expertise.
- Experience.
- Projetc Skills Delivery
- The Tangibles (model and 3D DVD Visualiations)

Expertise, project delivery skills, and the tangibles of service delivery require the possession of the relevant competencies to deliver the service to the client (Crosby *et al.*, 1990), the requisite technology and the ability to employ same efficiently and effectively. Experience relates to the requisite time spent delivering the relevant service to customers (Dulleck and Kerschbamer, 2006).

The four elements of functional service are:

- The level of customer involvement in the process,
- Empathy displayed by the service provider,
- Communication skills of the service provider
- Likability of service provider.

Customer involvement relates to offering customers decision authority and input into relates to the ability of the service provider to mentally put themselves in the place of the client (Murphy, 1999, Chen *et al.*, 2008; Sharma and Patterson, 1999); communication skills refers to formal and informal sharing of directed, accurate, and timely information between customer and service provider (Sharma & Patterson, 1999; Chen *et al.*, 2008); finally the likability of the service provider relates to their amiability (Andaleeb and Anwar, 1996; Chen *et al.*, 2008).

#### 1.1.4 Relationship Quality – Trust & Satisfaction

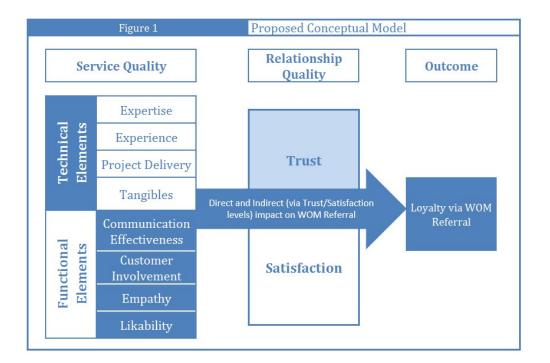
Crosby et al. (1990) and Kumar et al. (1995) describe relationship quality as a higher order construct of at least two dimensions, those being trust and satisfaction. Satisfaction and trust have been described in many ways, however, for the purposes of this study we will describe satisfaction as the extent to which a customer's expectations are met (Parsons, 2002; Wilson 1995) and trust as the assuredness in the skills, quality, benevolence, and consistency of the given provider (Garbarino & Johnson, 1999; Kumar et al., 1995; Schindler and Thomas, 1993). These constructs in turn affect loyalty as made tangible, for this study, by WOM referral (Eisengerich & Bell, 2007). This study positions trust and satisfaction as mediating variables - mediating the relationship between service quality and WOM referral intention. The study also looks at the direct associations between the service quality dimensions and WOM referral, bypassing the relationship quality construct that can cloud matters. A plethora of existing research underpins the importance of trust and its repercussions for customer loyalty (Garbarino and Johnson, 1999; Morgan and Hunt, 1994). Likewise, a considerable volume of research has demonstrated the positive linkages between satisfaction and WOM referral intention (Vasquez-Parraga and Alonso, 2000; Smith and Bolton, 1998; Rundle-Thiele, 2005).

#### 1.1.4 Loyalty through Referral

Genuine loyalty is the result of a behavioural response to the results of evaluation processes that lead to, in this context, WOM referral (Bloemer and Kasper, 1995). These evaluation processes are performed on the technical and functional discrete services elements and result in the levels of trusts and satisfaction that predicate service provider WOM referral. A referral may be the greatest display of loyalty that a customer can bestow on a service provider as it comes with attendant reputational risk to the referrer (Mitra *et al.*, 1999).

Due to the observation that high-credence based services are associated with a higher degree of customisation (Guiltinan, 1987) it is natural that a prospective purchaser would seek personal sources of information for such a difficult to evaluate service (Murray, 1991). This puts a significant responsibility on the referee's shoulders, the reputational risk as highlighted by Mitra *et al.* (1999) means that customer referral is hard earned.

This study seeks to understand why a customer would refer a service provider to a friend, family member or work colleague, but also what the service provider done to be looked on so favourably, that the customer would put their own reputation on the line for them? A summary of the research paper's subject matter and aims can be seen in Figure 1 below the proposed conceptual model.



#### 1.2 | Interest

Due to the large financial cost associated with home extensions, the onset of anxiety where the budget is reached or even overrun by the fixed price, is very real. This same anxiety then provokes in the consumer the reaction of seeking advice from family, friends or work colleagues. WOM referral with regard to the service provider, and the consumer

experience, serves to mitigate if not eliminate this very severe symptom. If not ameliorated through such reassurance this anxiety can badly affect the individual and indeed the family.

Research into these very real problems, that adversely affect many consumers in a wide variety of consumption situations, is in the interest of the wider society.

# 1.3 | Research Gap and Problem Statement

The research on high-credence services has predominantly been confined to a 'bit-part' in the search-experience-credence taxonomy (Mortimer & Pressey, 2013), with a limited amount of research conducted solely on high-credence services. Furthermore, the examination of functional and technical service quality, as separate drivers of relationship quality with distinct and disparate influences, on same has had little attention. Similar studies by Sharma and Patterson (1999), Chen et al. (2008), and Eisengerich and Bell (2007) are analogous in certain regards: Sharma and Patterson (1999) explore communication effectiveness and its impact on functional and technical quality – this study examines communication effectiveness as a component of functional quality; as does Chen et al. (2008) along with three other service quality elements (those being expertise, empathy and likeability of the service provider) and their impact on relationship quality. This study examines eight elements evenly split between functional and technical quality. Eisengerich and Bell (2007) look at the impact of technical and service quality have on customer loyalty, trust and re-purchase intention, unlike this study which breaks down the technical and functional quality into various discrete components

There is therefore a gap in the literature for an examination of the multi-dimensional antecedents of relationship quality - functional and technical service quality - and the subsequent impact on WOM referral intention.

## 1.4 | Research Objectives

# 1.4.1 Overall Objective

The overall objective of the study is to identify the components of service quality that significantly impact relationship quality and WOM referral intention in a high-credence service setting. The identification of these components is not only of interest to suppliers of high-credence service providers (for obvious reasons) but will also give succor to the many consumers that have felt that they may have been induced into purchases they did not need, or were willing to accept bad service because they did not have all the information at their disposal (Darby and Karni, 1973). High-credence services are not just high-end services like architectural, medical, or legal services, but more mundane services like car or laptop repairs. Any research that has an objective that examines such services that are rife with uncertainties will have a wide appeal. In order to achieve this objective, a breakdown into sub-objectives is required so as to be better informed.

#### 1.4.2 Sub-Objectives

In order to achieve clarity, a breakdown into sub-objectives is necessary for this paper.

These sub-objectives are detailed below.

- To determine the significance of the chosen components of functional service quality - service provider expertise, experience, project delivery skills, and tangibles (models, designs etc.) - on relationship quality in a high-credence service setting.
- To determine the significance of the chosen components of technical service quality

   service provider communication effectiveness, willingness to involve the customer
   in decisions, perceived empathy, and likability on relationship quality in a highcredence service setting.
- 3. To determine the significance of the chosen components of functional service quality service provider expertise, experience, project delivery skills, and the 'Tangibles' on customer referral intention in a high-credence service setting

4. To determine the significance of the chosen components of technical service quality - service provider communication effectiveness, willingness to involve the customer in decisions, perceived empathy, and likability - on customer referral intention in a high-credence service setting.

This breakdown is multi-layered. It differentiates technical from functional service quality and allocates each separately to relationship quality and referral intention. As mentioned heretofore the impact relationship quality has on loyalty (as evidenced by WOM referral intention) is assumed by dint of the sheer weight of literature (Chiou *et al.*, 2002; Sharma and Patterson, 1999; Chen *et al.*, 2008; and Eisengerich and Bell, 2007; Cronin and Taylor, 1992) that backs the hypothesis that trust and satisfaction are positively associated with referral intention. A further point to note is that each element of technical and functional service quality is individually tested against satisfaction, trust and referral intention. This is a very important point to note as for instance a client might judge that an element of technical service quality has a significant impact on satisfaction levels, but this may not translate to a significant impact on referral intention.

#### 1.5 | Research Design

This is a qualitative study with a case study strategy employed. The case is a residential architectural services company called *MakeSpace* which project manages the consultation, design, and construction processes for residential homes from beginning to end. The directors of the company gave access to the selected population which all had spent over €140,000, on a minimum 1 yearlong project that had been completed within three months of this paper's instigation. The selected population is interviewed using a semi-structured technique where a small set list of questions is asked of each participant, with probing questions brought in to ensure all eight elements of the primary research questions are covered. In addition, the directors also, made themselves available for interview – this offer was accepted and these interviews enabled genuine triangulation of both the theory as

showcased in this study's conceptual model, and the data collected from the client participants.

#### 1.5.1 Participants

Using *MakeSpace's* database, eight suitable participants qualified under the three criteria of cost, length of project, and proximity of the project finish date to the commencement of writing this paper. Of the eight, one was unavailable for interview; two were used in a pilot scheme to hone interview questions and style. The remaining five were interviewed using a focused approach with follow ups to clarify any ambiguous items.

#### 1.5.2 | Strategy

The analogous studies of Sharma and Patterson (1999), Chen at al. (2007), and Eisengerich and Bell (2007) all employed surveys to collect data. While this is an entirely acceptable means by which to gather data, for the concepts under examination, it was felt that for this research that a case study approach was the best fit. The research questions demand a rich and in-depth analysis of the various concepts and constructs under study. This research takes an exploratory and explanatory tenor in that it seeks to explain existing theory and explore possible new theoretical dimensions, not previously documented within this area of study. The researcher must concede that the untethered access to clients and directors, offered by *MakeSpace*, proved too good an opportunity to turn down (Bryman, 2007) and terming this an opportunistic case (Collis and Hussey, 2009) is a fair assessment. Sitting face-to-face with clients and being able to probe and cajole them (in a non-threatening manner) into expressing their opinions of the service provider was invaluable, and indeed no survey no matter how thorough, could equal for detail and nuance.

#### 1.5.3 | Procedure

The pilot interviews were used to hone interview technique and style. Once the interview questions and interview technique felt appropriately pitched, the interviews were conducted at the participants' place of residence. This was done not only for their

convenience and comfort but it seemed likely that the participants would have more vivid recollections if present in the renovated area. The interviews were conducted, and recorded, and later transcribed with the requisite ethical standards upheld.

#### 1.5.4 | Analysis

A systematic approach was taken. A form of content analysis was used — directed themed content analysis. This methodology facilitates the breakdown of large amounts of data into coding tables (Collis and Hussey, 2009) - using themes to differentiate the data. Interviewee opinions and views can be numerated which makes analysis a much simpler process. Furthermore, and of vital importance to this approach, was the fact that the questions, open and probing, used in the interviews echoed the themes as set out in the coding tables. The fact that the notes taken in the interviews were supplemented within minutes of conclusion with highlighted points of emphasis including *inter alia* those consistent with the proposed conceptual model, makes populating the coding tables much easier. The literature that originally inspired this paper is evaluated in the next chapter.

# Chapter II | Related Literature

#### 2 | Introduction

The central theme of the bulk of studies related to services marketing is how to deliver optimal service quality so as to promote customer loyalty. The approach taken, in the main, is to examine the dynamics involved at a holistic level, by looking at service quality, and relationship quality, as fully integrated constructs (Hu et al., 2009; Eisengerich and Bell 2007) rather than the collective description, of real concepts, that they are. Service quality and relationship quality are constructs merely equal to the sums of their parts – in the case of service quality that means functional and technical quality; which breaks down further to such diverse constituents as service provider expertise, and likability. Employing such constructs for building theory without inspecting their component parts is akin to

diagnosing a malady by checking a patient's temperature.

There are studies that look at a few aspects of service quality (Sharma and Patterson, 1999; Eisengerich and Bell 2008; Bell, Auh, and Smalley, 2005), and how they impact customer loyalty; and a handful of studies (Chen *et al.*, 2008) do look at a number discrete elements of service quality and their impact on relationship quality, and by extension WOM referral intention. However, there is a paucity of research that tackles the real detail involved in services' relationships, especially so in the arena of high-credence services. This study investigates at the granular level, as this is where genuine insight resides. This insight is best located through direct investigation with the people involved, service provider and clients. Hence the case study strategy with semi-structured interviews is employed for data collection, as outlined in chapter 3. Before exploring these concepts, and constructs, further it behooves the researcher to zoom out somewhat, and look at what is actually meant by 'services'.

#### 2.1 | Services

There is some conjecture in relation to the number of unique dimensions that characterise services – see table 2.1 on page 16. For this study the extended list as advocated by Pride and Ferrell (2003) is germane as they capture the characteristics, not just of services, but of those especially associated with high-credence services also – these additional features are 'customer contact' and 'client based relationships'; particular qualities which are at the very kernel of high credence services. The characteristics that mark not just the difference between goods and services (Lovelock and Gummesson, 2004) but those that specifically separate high credence services from more prosaic services are elucidated in section 2.2. Pride and Ferrell's (2003) characteristics necessitate a distinct consumer evaluation process to those employed for assessing goods (Zeithaml, 1981). It is clear that compared to goods, services are more difficult for the consumer to evaluate (George and Berry, 1981), and in order to understand that difficulty it is necessary to explain the aforementioned service

characteristics.

| Table 2                            | Differing Views on Service Characteris  |  |  |
|------------------------------------|---|--|--|
| Authors                            | Characteristics   |  |  |
| Kerin et al. (2003)  Kotler (2003) | intangibility-inconsistency-inseparability -<br>inventory<br>intangibilty-inseperabilty-variability-<br>perishability |  |  |
| Pride and Ferrell (2003)           | intangibility-inseparability-heterogeneity-<br>perishability-customer contact-client<br>based relationships           |  |  |
| Solomon (2003)                     | intangibility-inseparability-variability-   |  |  |

Source: Adapted from Lovelock and Gummesson (2004)

# 2.1.1 Inseparability

Physical goods' sellers are seen as distinct from the goods they are selling, unlike service providers who are often seen as the service itself (Wirtz and Bateson, 1995). This is fixed in the mind of the consumer by the circumstance that the service is consumed and produced contemporaneously. Mass production of services is therefore extremely difficult to achieve (Clemes *et al.*, 2000), and especially so when the bespoke nature of high-credence services is considered (Hill and Gandhi, 1992). This inseparability concept is at the heart of the 'moments of truth' (Norman, 1983) that are so crucial in services marketing. These moments are essentially all those times where customers and service providers interact — opportunities to impress, but also to disappoint, the customer.

#### 2.1.2 | Intangibility

Prior to purchase, as pointed out by Nelson (1970), and Darby and Karni (1973), goods can be evaluated relatively easily, however the experience attributes of a service can only be discerned after purchase, and in the case of a high-credence service that may even be troublesome after purchase and consumption (Zeithaml, 1981; Ngamvichaikit and Beise-Zee, 2013). There are means by which the service provider can make the service more

tangible. This can be achieved through physical evidence and presentation (Booms and Bitner, 1981). The service provider gives cues to the customer by careful use of marketing tools (Kotler, 2006) which include *inter alia*:

- Employees with the right attitude and can-do mentality.
- ⇒ Premises interior and exterior giving the right impression.
- → Communications material/methods professional and efficient.
- Symbols and artifacts quality signaling.
- Equipment latest relevant technology.

# 2.1.3 | Perishability

The particular characteristic of perishability makes life, for a service provider, very difficult when compared to a seller of goods. The issue here is one of storage. Services cannot be stored for future delivery unlike goods. As demand for services is rarely smooth, it is very difficult for the service provider to match supply with demand due to inseparability. This is an existential issue for most service providers (Parasuraman *et al.*, 1988). In an effort to level-out demand many service providers engage in price discrimination e.g. early bird prices.

#### 2.1.4 | Heterogeneity/Variability

There is a large amount of variability in service provision due to the simple reality that people are so involved in its delivery (Bitner and Zeithaml, 1987). The people involved are not just limited to the service provider but also to the customer too, adding to the variability. Furthermore, the customisation that is inherent in service provision creates a further complication with regard to the mass production of services (Zeithaml *et al.*, 1985).

#### 2.1.5 | Customer Contact

Customer contact relates to the degree of interaction between the service provider and the customer that is required so that the service provider can deliver the service effectively. Not all services require a large degree of customer contact but high credence services generally

do (Pride and Ferrell, 2014). Exceptions such as motor car repair are few and far between; services that require high levels of interaction such as legal services, architectural services, and health care exemplify 'the rule'. This interaction is relatable to the moments of truth (Norman, 1983) – the more interaction the more moments of truth, and therefore the more chance to build up positive (and negative) satisfaction and trust increments (Oliver, 1999).

#### 2.1.6 | Client Based Relationships

Creating and maintaining client based relationships is crucial to the health of any services' business. Client based relationships are the result of regular contact with customers who are satisfied with the service to a level where they return to the service provider again and again for that service. (Pride and Ferrell, 2014). Such relationships tend to create WOM referral business for the service provider, particularly apposite for this study. The aim of all goods and services providers is to establish relationships with customers so as to benefit from re-patronage and WOM referral. The requirement for such relationships is particularly acute in high-credence services as these relationships dictate whether the company survives or not. Witness Makespace's case, 97% of new business is through WOM referral, if referrals dry up the business will fail.

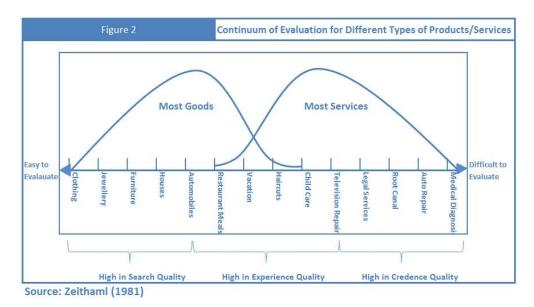
# 2.2 | High Credence Services

Apparent from the examination of the characteristics of services, both service providers and customers face much more uncertainty when compared with purchasing goods. Compounding uncertainties, created by services' innate characteristics, high-credence services scale further heights in uncertainty due to the fact that they often require the seller to establish the buyer's requirements (Darby & Karni, 1973), that a large degree of information asymmetries exists between the two parties (Mortimer & Pressey, 2013), and finally the consumer finds it difficult to evaluate the purchase, even after it has taken place (Smith & Royne, 2010). Figure 2.1, on page 6, graphically illustrates high credence service evaluation scale. Distinct from goods, which have search attributes (you can try on a pair of shoes before purchasing), high-credence services prove more difficult for consumers to

evaluate therefore increasing the risk inherent in purchase. For high-credence purchases the full extent of the repercussions of that risk may never be known due the very nature of high-credence services (Ngamvichaikit and Beise-Zee, 2013). The need to seek advice before engaging a service provider in a high-credence service setting is therefore crucial — this explains the prevalence and absolute critical need for WOM referral in a high-credence service setting. High-credence seervces are not only difficuakt to evaluate — see Figure 2 below — but also tend to be either costly (legal services), hazardous (health services), and time consuming and extremely costly (domestic architectural services).

## 2.3 | Service Quality | Functional & Technical Quality

Service quality according to the Nordic outlook (Grönroos, 1982, 1984) encapsulates functional and technical quality (Brady & Cronin, 2001; Holmlund, 2001; Grönroos, 1984). For functional quality read 'the process' and for technical quality read 'outputs' (Parsuraman, Zeithaml, and Berry, 1988; Kelley, Donnelly, and Skinner 1988). The interaction between customer and service provider, and the quality of the service outcome combine to impact the customer's perception of the service provider and thus shape the endogenous construct that is relationship quality, the scope of which is covered, for this study, by satisfaction and trust (Crosby *et al.*, 1990; Parsons, 2002).

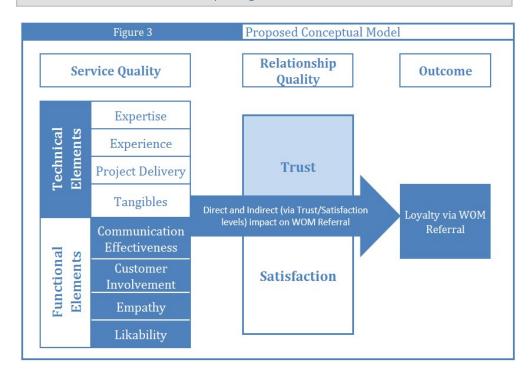


Swan & Combs (1976) postulate that perceived performance can be broken up into two

sub-processes: the instrumental performance which is the technical outcome of a service e.g. for an airline that would be the customer being transported say from Dublin to New York – and the expressive performance which for a service would mean the interactions between the customer and the service provider e.g. all the different 'moments of truth' (Norman, 1983) where the service provider and customer are interacting, that take place during that flight to New York in the example proffered.

Additionally, Swan & Combs (1976) further propose that the instrumental performance is 'taken as read', and is completely expected, however, the expressive element has the latitude to really draw a customer into a relationship with the service provider. In addition, due to the innate lack of a clear cut, measurable, result apropos the instrumental performance/technical quality of the service, in a high-credence service setting; it is likely that expressive/functional quality will have a significant impact on customer performance appraisal. This assertion will be indirectly tested in this study via the split of the discrete elements into four technical and four functional. However it is the components that the study is interested in not the collective constructs that aggregate them. This paper will return to these ideas in chapter 5 where future research recommendations are articulated.

This study explores both functional and technical service quality and makes no presumption with regard to which construct plays a greater role in influencing customer WOM referral intention. Swan and Combs' (1976) conviction, and indeed Eisengerich & Bell (2007) certainty, that technical or instrumental performance is expected is interesting but testing at the level at which services are actually delivered i.e. communication effectiveness, service provider expertise etc. is this study's vicinage. The argument put forward by Berry and Parasuraman (1985), that service quality results are assessed by both the outcome of the service and the process by which is was delivered is the starting position of this paper. Chen *et al.* (2008) take a similar approach however this research explores a greater array of elements as per the conceptual model displayed in Figure 3 on page 21.



The components of functional and technical service as per the proposed conceptual model are: levels of customer involvement in the process (Prenshaw *et al.*, 2006) as exemplified by collaboration and co-production (Ganesan, 1994), empathy of the service provider, likability of the service provider (Chen *et al.*,2008; Ganesan, 1994; Andaleeb and Anwar, 1996), experience of the service provider (Dulleck, Kerschbamer & Sutter, 2011), expertise of the service provider (Garry, 2007; Smith & Royne, 2010; Eisengerich & Bell, 2008; Devlin, 2011), and finally the communication skills of the service provider (Sharma & Patterson, 1999); with the intention of testing their impact on customer satisfaction, trust and referral intention.

#### 2.4 | Eight Discrete Service Quality Dimensions

In this section the eight dimensions of service quality, that the research and the Director interviews, put forward as covering all significant catalysts of trust, satisfaction attainment, and WOM referral inducement, will be examined by way of their reportage in the extant literature.

#### 2.4.1 | Service Provider Expertise

The expertise of the service provider, as perceived by the customer, relates to the relevant

competence displayed by them (Crosby et al, 1990). Customers feel they can mitigate the uncertainty and helplessness they feel in 'credence situations' (Bloom and Pailin, 1995) by using a service provider that has demonstrated expertise via reputation or communication — this way they feel more secure — that they are in the hands of someone that knows exactly what they are doing (Albers-Miller and Gelb, 1996). Moreover, after the service has been provided, and the expertise has been confirmed, trust and satisfaction levels should be inflated (Smith, 1998).

## 2.4.2 | Service Provider Experience

This component is not researched individually in the literature in the context required – it arises as a concept in search and selection studies predominantly. Similar to 'expertise' a customer engaging with a high-credence service provider is likely to rely on the demonstrated experience via reputation or communication of the service provider. This is an element where influence is possibly very strong in the selection process but maybe neutered thereafter. This element was included on the evidence provided by the service provider, as specified during the Director interviews.

#### 2.4.3 | Service Provider Project Delivery

This element falls under the service provider expertise in the literature - it is not researched individually. Project management has taken on a life of its own in recent years with a plethora of qualifications now available to tender expertise in this arena. For this study project delivery relates to delivering the project on time and on budget – as such it is a hugely important element of the service that deserves recognition in its own right separate from the all-encompassing 'expertise'.

#### 2.4.4 | Service Provider Tangibles

Project tangibles for this study relate to models and 3D immersive house DVD that detail what the virtual finished product will look like. Such offering can be considered to conform to Zeithaml and Bitner's (2003) 'physical evidence' which relates to signs, symbols and

artefacts. Bitner (1990) considers physical evidence as a significant factor in customer satisfaction. In this case they are indeed very important to the client as it allows them to picture what they are paying for and possibly dreaming about, in a more tangible way then many other services can muster, ahead of delivery.

# 2.4.5 | Service Provider Communication Effectiveness

Communication effectiveness relates to the sharing of consequential, accurate and information with alacrity. It should educate and keep the client fully up-to-date with progress (Sharma and Patterson, 1999), and decisions that require their input. Trust can be fostered through effective execution of communication (Moorman *et al.*, 1993). Where the ebb and flow of information between client and service provider is easy, and stress free, it will enhance the relationship and make it stronger (Morgan and Hunt, 1994) likely leading to increased levels of satisfaction.

#### 2.4.6 | Customer Involvement in the Process

To surmise that with the bespoke nature of high-credence services that customisation via client co-design / co-production (Ganesan, 1994) is commonplace would be natural. For many high-credence services that is not the case due to the technical nature of many of the industries involved, however for this study it is incumbent on the service provider to seek, and listen to, customers' opinions, and ensure their involvement in the direction of design. 'Leave it to the experts' might work in an industry like legal services but where design is involved the process must involve the client as design is intensely personal and the process could be described as co-creation hence the importance of customer involvement – without same the customer will almost certainly be unhappy with results. Trust and satisfaction levels obviously suffer in such circumstances.

#### 2.4.7 | Empathy Displayed by the Service Provider

Empathy relates to the ability of the service provider to mentally put themselves in the place of the client (Murphy, 1999, Chen *et al.*, 2008; Sharma and Patterson, 1999). Of all services,

high-credence services, where the customer often feels vulnerable owing to a complete lack of subject matter expertise, an empathic approach, especially considering so many interactions are in person (Chen *et al.*, 2008), and moreover the costs and risks involved, is absolutely crucial. Service adroitness in dealing with customers in an understanding, and sensitive way, should be positively related to trust and satisfaction levels (Bowers *et al.*, 1994; Chen *et al.*, 2008).

#### 2.4.8 | Likability of the Service Provider

Likability may be perceived as a lightweight consideration however the research shows that one of crucial elements for building satisfaction is the perceived benevolence of the service provider (Ganesan, 1994). Likability as described by Andaleeb and Anwar (1996) as friendliness, perceived benevolence and pleasantness — concepts probable to evoke reciprocal feelings of pleasantness and satisfaction in the customer (Chen *et al.*, 2008) thus creating strong case for likability of the service provider influencing the client decision to WOM refer the service provider.

# 2.5 | Relationship Quality | Satisfaction & Trust

The relationship quality underlying concepts - satisfaction and trust - have and can be described in many ways, however for the purposes of this study we will describe satisfaction as the extent to which customers' expectations are met (Parsons, 2002; Wilson 1995) and trust as assuredness in the skills, quality, benevolence, and consistency of the given provider (Garbarino & Johnson, 1999; Kumar *et al.*, 1995; Schindler and Thomas, 1993). These concepts in turn affect loyalty as made real by re-patronage and or WOM referral (Eisengerich & Bell, 2007). Crosby et al, 1990; Kumar *et al.*, (1995) describe relationship quality as a higher order construct. These endogenous factors, satisfaction and trust, are the dominant facets of relationship quality (Shamdasani & Balakrishman, 2000). These are emotions and as such are highly subjective and therefore complex and esoteric.

From the provider's perspective they must be seen as vehicles, a means by which to induce WOM referral.

# 2.6 | Loyalty via WOM Referral

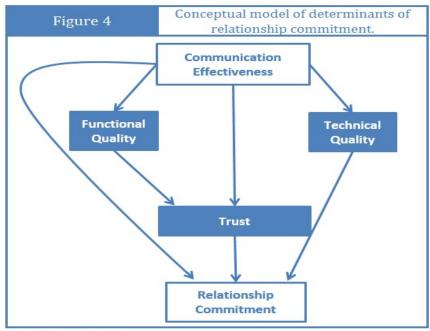
A narrow view of loyalty could be described as repeat purchasing on a regular basis (Tellis, 1988) but for this study loyalty is defined as a profound commitment to a service provider to personally recommend them (Oliver, 1999) to friends, family members, and work colleagues. A WOM referral may be the greatest display of loyalty that a customer can bestow on a service provider as it comes with attendant reputational risk to the referrer (Mitra et al., 1999). In the architectural services industry, due to the high cost and the fact that customers will only own a finite number of homes, loyalty is best exemplified in referral terms which are the lifeblood of any firm in this sector. Eisengerich & Bell (2007) note, in their study, that boosting customer loyalty is the single most important driver of a company's long term performance. This phenomenon is not confined to architectural services however, with Reichfeld (2003) noting that a customer's willingness to recommend a service provider is the single biggest predictor of company performance in fourteen different industries. It pays to have a thorough understanding of what influence a service provider can bring to bear in order to turn a customer into a loyal customer.

# 2.7 | Proposed Conceptual Model | Similar Studies

The proposed conceptual model is derived from primary and secondary sources. The primary sources were the directors of *MakeSpace* who were interviewed at length. The secondary sources were derived from the relevant extant literature, most notably high-credence services' related articles by Sharma and Patterson (1999), Eisengerich and Bell (2007), and Chen *et al.* (2008).

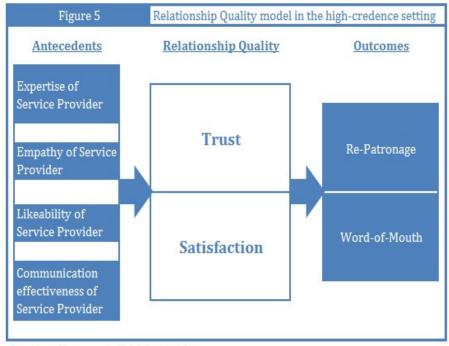
Sharma and Patterson (1999) explore the interplay and relative impact of communication effectiveness, functional service quality, and technical service quality on trust. Trust is used

as a mediating construct with regard to relationship commitment. They examine communication effectiveness not as a component of functional service quality but as a standalone concept – see Sharma and Patterson's model in figure 4 below.



Source: Sharma and Patterson (1999)

Chen *et al.* (2008) cover some similar ground to Sharma and Patterson with their shared interest in communication effectiveness and its bearing on relationship quality. However, they add three other concepts – expertise, empathy and likability of the service provider. These are seen as antecedents to the construct that is relationship quality – comprising trust and satisfaction. Relationship quality in turn impacts re-patronage and WOM referral. There are obvious commonalties between this study and Chen *et al.* (2008) – see their conceptual model in Figure 5 on page 27, however the gamut of discrete technical and functional elements is not as wide, and furthermore functional and technical service quality do not feature in Chen *et al.*'s (2008) nomenclature despite these constructs being front and centre of services marketing literature since seminal articles published in the 1970s.

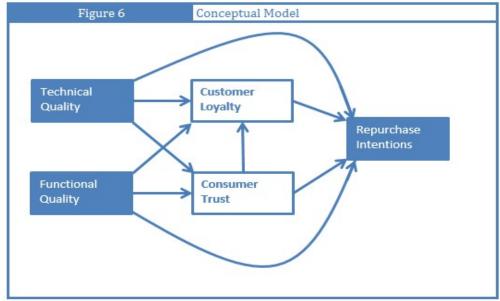


Source: Chen et al. (2007, pp. 13)

Eisnegerich and Bell (2007) look at the impact technical and service quality have on consumer loyalty, trust and repurchase intention. They do so, with and without loyalty and trust used as mediating constructs, similar to this study, which breaks down technical and functional quality into discrete elements and tests their impact on trust and satisfaction, directly and indirectly on WOM referral. Their conceptual model is displayed in Figure 6 on page 28.

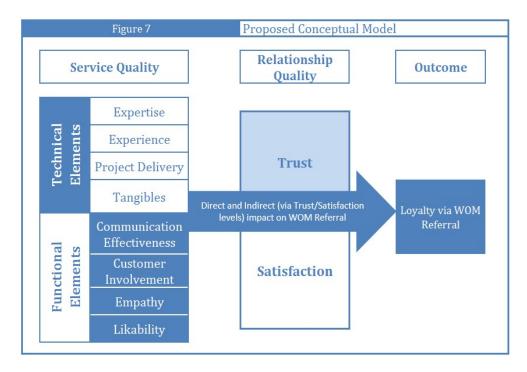
Many of the gaps left by those studies are filled by this research paper; such as Sharma and Patterson's narrow focus on communcation effectivensss and simultaneous obtuse focus on functional an technical servce quality, is shared by Eisentgerich and Bell (2007) who take such a high-level view. Chen *et al.* (2008) do however take a ground level approach but bizareely don't refer to, or group, the concepts under functional and/or technical servce quality constructs instead referring to them as 'antecedents'.

This study counters many of the issues highligthed above by taking a ground level multipronged approach through the eight elements of functional and technical servce quality examined, while also shifting emphasis and 'band-width' by exploring at construct level i.e. functional service quality, technical servce quality, and relationship qualty.



Source: Eisengerich and Bell (2007, pp. 255)

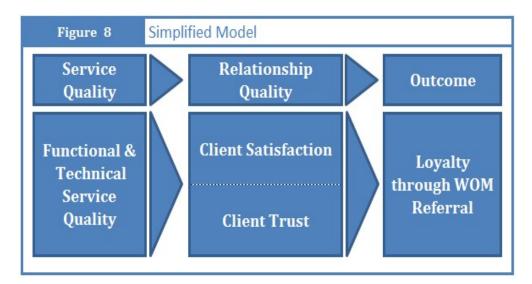
All the studies employ similar nomenclature in describing the constructs and comcepts that are impacted – trust, satisfaction (relationship quality), loyalty, relationship commitment, referral intention. Figure 7 below is the conceptual model that this research proposes. The testing *modus operandi* for same is explained in the next chapter.



## Chapter III | Research Methodology

## 3 | Introduction

The purpose of this chapter is to set out the study's methodological rationale — the choices made, and how the research was undertaken. Before presenting an overview, of the chapter, it is useful to reprise the phenomena under investigation. This study is focused on an octad of technical and functional service quality elements and their impact on relationship quality, and WOM referral intention. The research involves interactions between social actors. These are social phenomena under investigation. For social actors read the service provider and their customers, and for social phenomena read the interaction between them and the subsequent impact on trust, satisfaction and loyalty (as evidenced by WOM referral). Figure 8 below succinctly illustrates the high level antecedents and dependencies under investigation. These constructs have intricate links which have informed and influenced the research process from the strategy chosen through data collection, and analysis. Many of the methods employed were manifest once the research study concept was decided. Rich, nuanced, and detailed data was needed to test, and potentially validate the conceptual model; therefore data collection methods that wrest meaningful insight were required.



Saunders *et al.* (2013, pp. 108) describe the research process as a multi-layer construct with all key layers requiring reflection and review. However, this is perhaps over —complicating matters. Decisions with regard to the various research methodology strata must surely be guided by the actual problem under research; in other words the problem under research dictates many of the choices made in relation to how that research should be conducted (Karami *et al.*, 2006 pp.45). This study is investigating at 'the ground floor' level — not at construct level. Yes, construct terms including *inter alia* service quality and relationship quality are peppered throughout this paper, however the testing is performed on their component parts. The research methods employed must suit the aims. Testing at this level requires a hands on approach to pick-up nuance, opinion, and emphasis, hence the absolute need to take a case study approach married to semi-structured interviews. The research is searching for genuine insight; real life modern day phenomena set in a specific context - high-credence services - are under investigation, thus meeting Yin's (2009, pp. 18) primary case study classification definition.

As mentioned, the study is engaged in social research, or more precisely research of social phenomena, and thus does not lend itself readily to an 'off the shelf' prescribed process. For instance, relationship quality is a higher order construct (Crosby et al, 1990; Kumar *et al.*, 1995) and as such requires the collection of rich and descriptive data to understand the details of the situations involved, and the realities at work in the background (Remenyi *et al.*, 1998, pp. 35). These are the foundations from which the research methods for this study are constructed. The case study and semi-structured interview format were committed to for the reasons outlined and all the other aspects of the research methodology fell into line thereafter, hence it makes most sense to begin with the strategy.

# 3.1 | Case Study Strategy

At the outset, surveys, which were gainfully employed by Sharma and Patterson (1999), Chen *et al.* (2008), and Eisengerich and Bell (2007), were seriously considered but ultimately

were discounted as more suited to "what", "when", and "where" questions; when this study of social phenomena is more concerned with answering "how" and "why" questions (Yin, 2009, pp 8). What was required was a research strategy that could uncover rich insightful behavioural data; the case study method was therefore deemed the most suitable strategy for these research aims. Those aims, as embodied by the research questions – see section 3.7 - demand complex and nuanced answers. Case study research focuses on understanding the subtleties of a given setting (Eisenhardt, 1997), a view buttressed by Stake (1995) who observed that the case study approach is built to answer complex questions that demand much more than facile analysis. Bryman (2004) posits that case studies require intensive study of a single case – for this study that case is *MakeSpace*.

The nature of the phenomena being examined lent themselves perfectly to a single case study approach with a number of participants interviewed both from the company itself (to corroborate the proposed conceptual model, and the client interviews *post facto*), and from their client base. This case, as expressed by Collis and Hussey (2009) and Scapens (1990), is an opportunistic one but also part exploratory, part explanatory.

An opportunistic case study, as explained by Otley and Berry (1994), is one where the researcher has access to a particular business or person which is a fit for the phenomena under examination — that is most certainly the scenario for this study. Unhindered access to a high-credence service provider was the ideal scenario for this study, both for the constructs under examination, and the context within which to examine them — multiple facets of functional and technical service, the affect they have on relationship quality and by extension on customer WOM referral. This is exactly what this access, to *MakeSpace's* Directors and clients, invited.

The study can also be classified exploratory as it is looking to build on work completed by Sharma and Patterson (1990), Eisengerich and Bell (2007), and Chen el al. (2007), and

indeed adds to the high-credence service literature where there is a dearth of research especially in the area of WOM referral causation. The case study could further be classified explanatory in that its framework is based on extant theory in the area (Collis and Hussey, 2009, pp.82). These exploratory and explanatory elements echo the hybrid deductive-inductive approach described in section 3.2.

Lastly, the choice of the case study as a strategy acts as a counterpoint to the strategies employed by Sharma and Patterson (1999), Eisengerich and Bell (2007) and Chen *et al.* (2008), who all employed surveys. There is also originality (originality should be a bonus after the best fit for a study has been established) to this approach, however that is a happenstance as it was genuinely felt the case study approach would yield more meaning, insight, colour, and perhaps most welcome of all, some freshness.

## 3.2 | Philosophy

The methodology employed in this research study falls under the interpretivist philosophy as it is concerned with investigating and interpreting the esoteric nature of social phenomena (Gill, Johnson and Clark, 2010, pp.60-63). Richer understanding of the subject being studied is the objective; the researcher is interacting with that being researched and as such draws subjective conclusions because they are based on their perceptions (Collis and Hussey, 2009 pp. 57). Furthermore the interpretivist seeks to get close to the subject matter being researched — long interviews and open ended questions fitting the typology (Creswell, 2014) — this is the approach taken via the case study and semi-structured interviews.

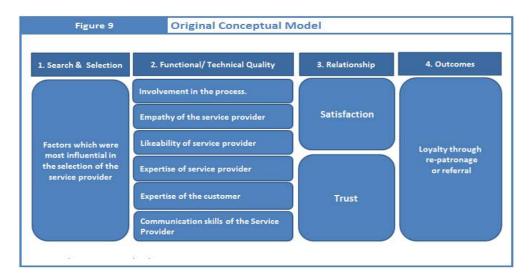
# 3.3 Origins of the Proposed Conceptual Model

The proposed conceptual model that is ultimately being tested, in this research paper, was the result of two separate endeavours. Firstly, academic journals relating to the following themes: dimensions of services marketing the (including the search and selection process),

the uniqueness high-credence services and goods, the components of service quality (in comparison to 'everyday services'), the myriad features of functional quality and technical quality, the topography of relationship quality - consumer trust, satisfaction and loyalty – were heavily researched and mined for suitability for the model envisaged.

Three studies emerged that were analogous in terms of the theory proposed and models constructed – Sharma and Patterson (1999), Chen *et al.* (2008) and Eisengerich and Bell (2007). A prototype model, blending these models and other theory, was constructed - see Figure 9 below. This original model was amended soon after completion with the search and selection piece being removed due the breadth of the data that the research had to cover.

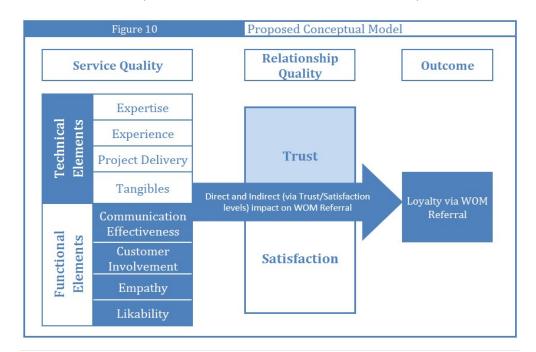
Primary research was then conducted, initially to triangulate the secondary source data and to test this model against the thoughts of an actual high-credence service provider. To that end *MakeSpace* were approached to help with the study. Their Directors were interviewed with a focused semi-structured method (Yin, 2009, pp. 107). The findings of those interviews are detailed in chapter 4 but for the purposes of this section their opinion and perception of customer behaviour matched closely with the proposed conceptual model that the secondary data helped construct. They did not match exactly and this gave these interviews a second dimension — discovery.



The model was amended to take into account these discoveries which included: repatronage, as an outcome, being dropped (less than 3% of business for *MakeSpace*); and with expertise of the customer being subsumed into customer involvement in the process. Two sub-components of expertise were treated as dimensions, of service quality, in their own right, and finally service provider experience was added which brought the number of elements to be tested to eight. All of these changes were based on interviews with the service provider directors — excerpts from same are detailed in chapter 4. The proposed conceptual model - as seen in Figure 10 below - then went forward for testing with the data gleaned from the interviews with the client participants.

### 3.4 | Time Horizon

The phenomena were examined, with the participants, at a snapshot in time (Saunders *et al.*, 2013 pp. 155). This snapshot was captured through the focused semi-structured interviews conducted over a three week period with the chosen *MakeSpace* clients. The interviews covered experiences with the service provider that had taken place in the preceding 12-15 month period. Furthermore, as mentioned in section 3.1 this was partly an opportunistic case study, as access to a particular business (Otley and Berry, 1994) was available for a certain period of time to allow with this research to take place.



### 3.5 | Sampling and Sampling Procedures

MakeSpace made their full client database available, therefore convenience sampling was employed due to the accessibility of the participants (Bryman, 2004 pp. 100). The sampling frame, as described by Collis and Hussey (2009, pp. 209), was, in this case, the entire Makespace client database. The next step involved a selection of a non-random sample through purposive, or judgmental, sampling (Saunders et al., 2013, pp. 237; Collis and Hussey 2009, pp. 213), which is commonplace when dealing with small samples such as in case study research (Saunders et al., 2013, pp. 237). This type of sampling is similar to snowball sampling, where participants are chosen based on their experience of the phenomenon under study (Collis and Hussey 2009, pp. 213), but with purposive sampling, the selection of the participants is made prior to the initiation of the interviewing process. In order to use purposive sampling, criteria were required to filter, and pare down, the sample frame. These criteria were discussed with the directors, from MakeSpace, in order to ensure that the participants were suitable for this study. To this end three criteria, which acted as filters, were devised and applied to the sample frame. The filters were as follows:

- ⇒ **Filter (a)**: The participant's project, with *MakeSpace*, has been completed within the three months previous to June 15<sup>th</sup> 2017.
- Filter (b): The project lasted longer than 1 year.
- Filter (c): The project cost, the participant, over €140,000.

The reasons behind the criteria were multiple. Firstly, the study demanded that the project had to have been completed within three months of the interview taking place - this was to ensure emotions and memories of the service are fresh in their mind, and that they could speak fluently, without taxing their memory to any great degree. Opinions and views are prone to soften and dull over time hence the need for this proximity criterion.

Secondly, the projects that were to be analysed needed to be long term in nature, thus the

stipulation that the project had to have taken as least a year. A client-service provider relationship that lasts that long will have had perhaps 25-30 face to face moments of truth (Norman, 1983) - and numerous others via telephone and e-mail – and would hold a glut of service and relationship quality data. Shorter project types simply would not have had the same rich seam of data to mine.

The final condition in relation to the cost of the project meant there was not just the obvious monetary commitment, but that there was also a psychological element. The stress of the risks involved in terms of dealing with neighbours, the logistical nightmare of major construction works at one's home, and the disruption and worry added to already busy daily lives. There is a lot at stake here for the client. This is a big project and as such would mean an awful lot to them – this is a life changing event – probably the second most expensive purchase they will, in all likelihood, make in their entire lives. These clients will experienced a tumultuous year, and as such would have a very interesting and revealing tale to tell.

The sample population, after filtering for the outlined criteria (see Figure 11 on page 37 illustrating same) was eight. The service provider made contact with these clients; introducing this researcher as an MBA student who was looking at high-credence services, a distinction that *MakeSpace* fell under, and asked them if they were willing to take part in the study. Of the eight candidates, one was unavailable. The other seven were happy to take part in the study and agreement was forthcoming with regard to setting up a meeting, at their place of residence, within a few days of sending an e-mail introducing myself and the study.

Two of the seven participants were used as pilots with the remaining five being used in the study proper. These pilot clients were chosen based on availability and geographical propinguity (Yin, 2009, pp. 93) from the seven available for interview.

The pilot was very useful in that it established the proposed conceptual model validity, improved the questioning format and technique (Yin, 2009, pp.93-94) — more open questions were used after the pilot so as to the let interviewee talk freely and wander into areas where staccato closed questioning would never have led them. Another consequence of the pilot was that it changed the venue for the interviews from <code>MakeSpace's</code> offices to the more evocative setting of the interviewee's homes - where the work had been completed. Evidence of the service experience thus surrounded the interviewee evincing yet greater insight.

Little information was given to the participants about the minutia of the study (see further information in the Research Instrument section) in order not to bias their opinions. Each interviewee was given a copy of the interview transcript after their interview and a follow up e-mail was sent in order to clarify any ambiguities or additional points of interest that arose in other interviews.

|              | Figure 11 |          | Purposive | Sampling P | rocess          |
|--------------|-----------|----------|-----------|------------|-----------------|
| Sample Frame | Filter A  | Filter B | Filter C  | Pilot      | Final<br>Sample |
|              |           |          |           |            |                 |

Demographic information was not collected as it would have added nothing to the study.

These are all affluent professional people living in an exclusive part of South County Dublin.

### 3.6 | Primary Research Questions

Eight research questions in total are examined. These questions mirror the eight functional and technical components of service quality that the study is testing and seeking to validate as significant to trust and satisfaction levels, and WOM referral intention; and are adapted and developed from the hypotheses tested by Sharman and Patterson (1999), Chen *et al.* (2008), Eisengerich & Bell (2007); or from the interviews with the Directors of *MakeSpace*.

#### Questions Related to Technical Service Quality

Q1 In a high-credence service setting, is relationship quality, and by extension customer referral intention, significantly influenced by the perceived expertise of the service provider?

Precedence for such a question was set with Chen *et al.*'s (2008 pp.15) very similar empirically tested hypothesis - "In a high-credence service setting, relation quality will be positively associated with the perceived expertise of the service provider".

Q2 In a high-credence service setting, is relationship quality, and by extension customer referral intention, significantly influenced by the perceived experience of the service provider?

This research question was developed after the interviews, with the Directors of MakeSpace, were conducted. They felt that this was an important factor for client with regard to their perception of the service provider and their satisfaction and trust levels and that it would be a worthy addition to the proposed conceptual model. Although the researcher believed that this element was most likely a search and selection criterion, it was included due to the service provider's vast knowledge of their clients.

Q3 In a high-credence service setting, is relationship quality, and by extension customer referral intention, significantly influenced by the perceived project delivery skills of the service provider?

This research question was developed in the same way as question 3 but similar qualms with regard to its inclusion in the proposed conceptual model were not entertained by the researcher. Project management shares a little of the current business zeitgeist stage with empathy and as such deserves analysis in its own right rather than co-mingled under the expertise banner.

Q4 In a high-credence service setting, is relationship quality, and by extension customer referral intention, significantly influenced by the perceived quality of the tangibles of the of the service provider?

This research question was developed in the same way as question 3 but similar to question 3 there were no question marks over its inclusion in the proposed conceptual model as the service provider really did convince that the models and 3D movie walk-throughs of their future home were hugely important to clients and really gave them something tangible to anchor their imagination during the relatively tough yearlong process.

### Questions Related to Functional Service Quality

Q5 In a high-credence service setting, is relationship quality, and by extension customer referral intention, significantly influenced by the perceived quality of the communication effectiveness of the service provider?

This research question is endorsed by an abundance of standing literature including Sharma and Patterson's (1999, pp. 158) empirically tested hypothesis – "The greater the communications effectiveness, the stronger the relationship commitment/the greater the trust in the service provider."

Q6 In a high-credence service setting, is relationship quality, and by extension customer referral intention, significantly influenced by the perceived customer involvement in the decisions made by the service provider?

Prenshaw *et al.* (2006, pp.443) cite high involvement as a precursor to increased levels of satisfaction in their central hypothesis. Moreover, the Service-Dominant Logic concept of co-creation (service provider and client both involved in delivering the service) to which customer involvement is a key part advocates this as an important dimension in enhancing customer loyalty and satisfaction (Randall *et al.*, 2009)

Q7 In a high-credence service setting, is relationship quality, and by extension customer referral intention, significantly influenced by the perceived empathy of the service provider?

Empathy, through Daniel Goleman's championing dominates the zeitgeist in a range of different business disciplines from leadership to services marketing. Chen *et al.* (2008) research this under their empirically tested hypothesis – "In a high credence service setting, relationship quality will be positively associated with the perceived empathy of the service provider"

Q8 In a high-credence service setting, is relationship quality, and by extension customer referral intention, significantly influenced by the perceived likability of the service provider? Chen *et al.* (2008) cover very similar terrain to this question with their hypothesis—"In a high credence service setting, relationship quality will be positively associated with perceived likability of the service provider"

At the construct level we find Sharma and Patterson (2007, pp.157-158) adding further succor to the general tenor of the research questions with their hypotheses – "The greater the perceived technical quality/functional quality, the stronger the trust in the relationship" and "The stronger the perceived technical quality, the stronger the relationship

commitment".

The research questions as stated have either concrete foundations in the extant literature or genuine underpinning through the expert knowledge of the service provider.

## 3.7 | Research Instrument

Cases studies allow the researcher to obtain the descriptions and observations of others (Stake, 1995); to gain such insight there are few approaches better than engaging in semi-structured one-to-one qualitative interviews with participants (Creswell, 2014, pp.190). As each interviewee will have unique stories to tell (Stake, 1995) it is imperative that they are at ease (Collis and Hussey, 2009) and are allowed to tell that story without hindrance but at the same time remain within the boundaries of the study's outermost limits. The interviews should be more like a guided conversation than a question and answer session (Yin, 2009, pp. 106). The interviews conducted would be described by Yin (2009, pp. 107) as focused, where the participants talked through the facts and surrendered their opinions about the service and the service provider but were corralled somewhat inside the parameters of the themes covered by the proposed conceptual model.

There is an element of corroboration – of the model – but also some freedom given to the participant to see if other interesting insights are dislodged, thus nurturing the exploratory element of the case study. In this way interviewees can be viewed as limited informants rather than as mere respondents (Yin 2009, pp. 107).

Led by these informal guidelines, the participants, including *Makespace's* Directors, were interviewed at their place of residence/business, in a conversational manner with a semi-structured format which for this part exploratory part explanatory case as is advised by Yin (2014, pp. 322).

For the interviews, a semi-structured approach was employed with a prepared list of

questions being used. However, there was sufficient leeway for both the interviewee to respond, but also for the interviewer to ask follow-up questions (Bryman, 2009). Specific topics had to be covered – the eight elements of service quality and their importance to trust, satisfaction and referral intention – the interviewee was steered into talking about these topics either by using simple follow up questions or the specific probing questions - these were used as a last resort as bringing up specific topics could be viewed as leading the participant.

The open-ended and probing questions (with an explanation of their background) are detailed hereafter:

Q (OPEN). "Please describe the selection process that ended in *MakeSpace* becoming your chosen service provider"?

This question was designed as an easy starter for the interviewee to get them talking. However, it also served two other purposes – firstly to bring the interviewee back to the start of the project as the next question asks them to describe the 'journey' that they went on with *MakeSpace* and the best place to do this (so as to gain an optimal amount of data) is the start. Secondly, ascertaining the participants' first impressions of the service provider is crucial as these first impressions are utterly critical for the relationship.

QOPEN. Please describe your journey with *Makespace* that concluded with the completion of your house extension — during your answer please make reference to what aspects of the service affected the quality of your relationship with *Makespace*. Please note quality of relationship refers to your levels of satisfaction (that's where your expectations were met) and trust (that's where you are totally confident in the skills, quality, good intentions and consistency) with respect to the service provider?

Q. Probes (if required) - And what about the expertise/experience/project delivery skills/models and 3D DVD/communication effectiveness/willingness to allow customer

involvement/empathy/likability of the service provider with respect to your levels of satisfaction and trust?

Firstly, the above probing questions were posed to each participant where they did not cover the relevant elements (the eight components) of service quality as per the proposed conceptual model in their answer to the initial question. The initial question is somewhat open but restricts their scope of answer to aspects that are significantly affected the relationship quality – this is at the kernel of the study's primary objective.

Q. Please explain the reasons why you would (would not) refer *MakeSpace* to a family member, friend, or work colleague?

It was important to bring this up directly with the interviewee as it was found in the pilot interviews that the participants did not bring this matter up voluntarily. It is a central plank of the study and as such the views of the participants must be obtained.

The interview format, and content, helped in the understanding of the relationships between the various elements of the proposed conceptual model thus adding the explanatory element to the study; while the exploratory components were revealed through the focused interview process where new insights with regard to the connections between various elements of the model were forthcoming.

After the interview the notes taken were expanded, although the interview had been recorded, while they were fresh in the mind as getting the exact words is not as of much use as body language, tone, and emphasis – the meaning the interviewees wanted to convey is much more important (Stake, 1995) hence the writing up of the notes immediately after the interview thus making the data analysis that was to follow that bit easier to process.

#### 3.8 | Data Analysis

The analysis stage of qualitative data research can often prove more difficult than the collection stage (Collis and Hussey, 2009, pp.163). This is due to the large amount of text collected - it is frequently quite difficult to know where to start let alone finish; furthermore with qualitative data analysis there is no definitive *modus operandi* as is observable with quantitative data (Robson, 1993, pp.370). The process can be eased by taking a systematic approach (Yin, 2014). In this case a form of content analysis. Content analysis can bring order to the chaos that is the data gleaned from a case study that employs interviews as its research instrument. Put simply it facilitates qualitative data to be quantified (Collis and Hussey, 2009, pp.164) by distilling the text into predetermined categories (codes) so that the number of instances these predetermined codes – usually words, phrases or in this case themes are mentioned in the text – is then recorded so as to permit easier and ready interpretation of the data.

The use of coding units in the conventional sense i.e. adding up the number of times a word/phrase/theme is mentioned, was not employed; the form of content analysis utilised looked for very specific themes in the interview transcripts, moreover the interview questions, especially the probing questions, were linked to this method of content analysis so as to expedite the process and ensure that the interviewees expressed an opinion on the eight elements of service quality under research. However, a conventional coding frame (Collis and Hussey, 2009, pp.165) was employed to record the participants' thoughts on specifics themes.

In order to properly elucidate this process it is necessary to back up a little and describe the method employed in a chronological manner from the very beginning. At the outset of the study a conceptual model was constructed after a lengthy secondary data literature review. The first batch of primary data was then gleaned from the interviews with the Directors of *MakeSpace* to corroborate *inter alia* the proposed conceptual model.

The coding frame was then constructed with the themes to be quantified, by importance, to their dependent concept e.g. how important communication quality was to the clients' feelings of trust and levels of satisfaction. If, for example all five participants stated that this element, of functional service quality was important in developing trust and three felt that it is an important factor in achieving satisfaction then the result is as per table 3 below.

| Table 3                          | Themed Directed Content | Content Analysis based on Conceptual Model                                 |  |
|----------------------------------|-------------------------|--|--|
|                                  | Element                 | Building Trust - # of interviewees who raised this as an important factor. | Feelings of Satisfaction - # of interviewees who raised this as an important factor. |
| Functional<br>Service<br>Quality | Communication Quality   | 5  | 3  |

The same coding frame was used for the testing of WOM referral decisions. If, for example all five participants stated that the expertise of the service provider was important to their WOM referral decision then the result is as per table 4 below.

| Table 4                         | Themed Directed Content Analysis based on Conceptual Model |                              |  |
|---------------------------------|--|------------------------------|--|
|                                 | Element  | Crucial to Referral Decision |  |
| Technical<br>Service<br>Quality | Expertise of Service Provider                              | 5                            |  |

The background to employing this approach is summarized by Shieh and Shannon (2005) who state that the goals of such a directed approach is to validate or extend a theoretical framework or theory — thus dovetailing perfectly with the aims of this research. The various stages are summarized in table 5 on page 46.

| Table 5  | Stages undertaken under hybrid thematic analysis   |
|--|--|
| Stage 1 - Identification of coding template  | Extensive literature review and construction of conceptual model. Corroboration of model though director interviews. Construction and population of coding frame using themes from the conceptual model. |
| Stage 2 - Identification of data<br>set  | Collection and analysis of data gathered via semistructured interviews with study participants.  |
| Stage 3 - Analysis of the data set   | Quantification of this qualitative data using content analysis, on recurring themes within the interviews, and population of coding frame.   |
| Stage 4 - Examining the<br>emerging themes -<br>corroboration and/or<br>amendment to model | Comparing and contrasting analysed data to conceptual framework and corroborating and/or possibly making amendments to same.   |

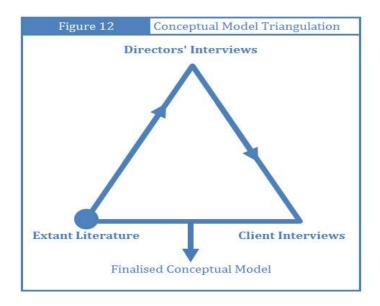
Source: Adapted from Fereday & Muir-Cochrane (2006)

# 3.9 | Data & Theory Triangulation

Triangulation, where data are collected from different sources at different times and coming up with analogous results (Collis and Hussey, 2009, pp.85), was executed both at a data and theory level. As per the process previously outlined, the secondary data was collected from the standing literature, but this literature related to different industries then the one being investigated here, albeit all high-credence services, and triangulation through interviews with the directors of *MakeSpace* was extremely useful in a prima-facie way. As already mentioned, changes were made to the proposed conceptual model based on these interviews but they also served to boost confidence in the overall model ahead of testing same with the client participants.

The data collected from these client semi-structured interviews was triangulated against the data collected from the director interviews. This was a robust testing method as the Directors of *MakeSpace* have been involved in a huge number of projects and thus triangulation of data gleaned from these one-off single sources (the client interview

participants) using a veritable database of client knowledge (the Directors' knowledge) is as solid a method of triangulation as could have been wished for. Figure 12 below neatly summarises the process.



## 3.10 | Ethical Considerations

As agreed with *MakeSpace* (not the real name of the company), the confidentiality and anonymity of the firm and the clients' interviewed would be respected and upheld. Each interviewee was advised of the reason why their observation, thoughts and pinions were being sought and all were guaranteed that their name would not be disclosed. Also, individual interviewee's insights were neither disclosed nor shared with other participants or *MakeSpace* themselves.

Informed consent was obtained from all interviewees. An informed consent form was drawn up which included the following:

- Identification of the researcher.
- Identification of the sponsoring institution.
- Identification of the purpose of the study.
- Identification of the benefits of participating.
- Identification of the level and type of participant involvement.
- Notation of risks to the participant.
- Guarantee of the confidentiality to the participant.

- Assurance that the participant can withdraw at any time.
- Provision of names of person to contact if question arise.

(Sarantakos, 2005)

Each interview was recorded on a mobile phone and transferred to a secure location within the researcher's personal computer. The anonymised interview transcripts are held on files solely accessible by the researcher and password protected to guarantee the safety and integrity of the data. Following transcription, all interviews were deleted from the mobile phone to eliminate potential risk associated with loss or theft of the mobile device.

High ethical standards, privacy and confidentiality were maintained throughout all stages of the process from research design to data analysis and reporting.

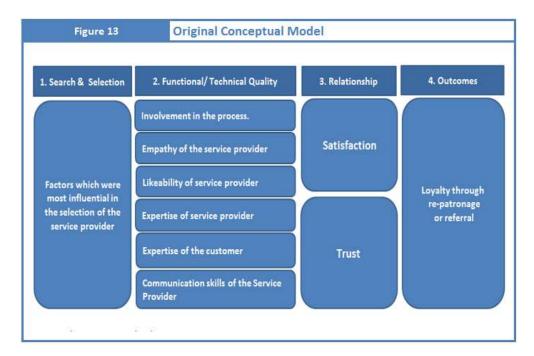
#### 3.11 | Limitations

Consistent with all research studies, this paper has inherent limitations and constraints. Primary among these is the fact that the research was restricted to a single case study – *Makespace* - which impacts on the degree of analytical generalisation feasible from the research, as per Vogt's (1993, pp.99) definition of assigning conclusions about one thing from the study of another. However, Normann (1970) argues that it is possible to generalize even from one case, as long as you have accurately captured the features, characteristics, and the interplay of the actors involved in the phenomena at hand. Shorthand for Normann's (1970) stance boils down to – "it depends how well you performed your research". Whilst multiple case studies would have added significantly to both the theoretical research and analytical findings, time, resources and cost constraints prohibited this option.

There is also potential associated with 'one investigator bias to creep into the study (Eisenhardt, 1989) but that could not be avoided due to the very reason for this paper's existence.

The time horizon over which the data was collected again was constrained by the time available to conduct the research. Ideally a curtailed longitudinal approach, which allowed changes and connections between events to be observed (albeit at a slight remote) (Bryman, 2004), thus yielding richer data, would have been taken with the participants regularly interviewed during the year or so that project took to complete. However, for many reasons principally access and the time available such an approach was not possible.

The original conceptual model itself was amended over time and narrowed to concentrate on testing the elements of functional and technical service quality and their respective influences on relationship quality. The connection between relationship quality and referral intention is not tested significantly in this study – this was as was originally envisaged. Furthermore, the search element i.e. how customers found out about *MakeSpace* was also part of the original model – see below in Figure 13.



Due to time, resources and cost constraints this original conceptual model had to be downsized.

The study concentrates on referral only without exploring re-patronage, the other loyalty

totem. Re-patronage in the business under scrutiny does not really feature as these projects are so expensive and time consuming that they are generally 'one-off's' in a person's lifetime. This is evidenced in MakeSpace's financial statements analysis where repeat business accounts for less than lees than 3% of their income. However this does harm the study's generalisability as most services rely on referral, and re-patronage, to prosper.

Once the opportunity arose to interview clients, and directors, in a live business that operates in the exact service field – high-credence services - that the study is focused on, then the fate of much of the research methodology discrete elements was sealed. The strategy to be employed was a case study, the research instrument best suited to seek and capture the rich insight required to satisfy the research questions was semi structured interviews. In order to be sure of gaining the rich insight required purposive sampling was employed under the guidance of the *MakeSpace* Directors. Lastly, the choice of data analysis was also clear-cut – thematic directed content analysis allowed the researcher to quantify the large amount of data gleaned from the interviews in an unfussy manner that additionally allowed the findings to be interpreted without much difficulty. Those finding are the next door to be opened as the study moves to chapter 4.

## Chapter IV | Findings & Results

#### 4 | Introduction

The findings and results of the research methodology employed, as described in the previous chapter, are expressed hereafter. Before proceeding, it is useful, to remind ourselves of the aims of the research. The overall research objective is - *To identify the components of service quality that significantly impact relationship quality and referral intention in a high credence service setting.* 

This objective is achieved through the following sub-objectives:

To determine the significance of the chosen components of functional service quality
 service provider expertise, experience, project delivery skills, and the tangibles - on

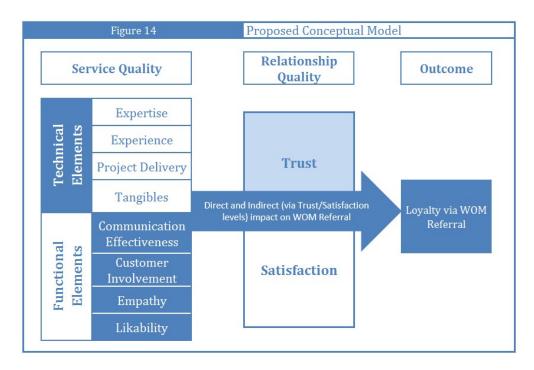
relationship quality in a high credence service setting.

- 2. To determine the significance of the chosen components of technical service quality-service provider communication effectiveness, willingness to involve the customer in decisions, perceived empathy, and likability on relationship quality in a high credence service setting.
- 3. To determine the significance of the chosen components of functional service quality
   service provider expertise, experience, project delivery skills, and the tangibles on
  customer referral intention in a high credence service setting.
- 4. To determine the significance of the chosen components of technical service quality-service provider communication effectiveness, willingness to involve the customer in decisions, perceived empathy, and likability on customer referral intention in a high credence service setting.

What is meant by significance is crucial here — in order sweep away any ambiguity this paper defines it very simply as importance. Therefore, what these objectives are looking to pin down is the dimensions that are important to clients with regard to affecting their satisfaction and trust levels, and whether they help sway the client to WOM refer the service provider. There is no room for equivocation in this regard. This is about finding the elements, of service quality, as delivered by the service provider, that a) boosted trust and satisfaction levels and b) were compelling in the decision to WOM refer the service provider; not just from the proposed conceptual model menu — see figure 14 on page 52 - but new dimensions that might be advanced.

It is important to note again that trust and satisfaction's impact on WOM referral are not directly tested but treated as mediating constructs i.e. it is taken as read that trust and

satisfaction levels have a significant impact on WOM referral. The impact the eight dimensions of service quality have on WOM referral are directly tested. Assumptions are not made with regard to the translation of significance of the impact on trust and/or satisfaction and its knock on effect on WOM referral – however it makes infinitely more



sense to let the participants inform the research in this regard and not rely on an algorithm to extrapolate same from the impact made on trust and satisfaction. The contradicted findings show up divergences between a dimension that is significantly impactful with regard to trust and/or satisfaction but impotent with regard to WOM referral intention are not for this study to answer.

In the next section the questions asked of the directors and participants will be specified alongside themed comprehensive excerpts from the interviews with the directors and the client participants. The results of the directed themed content, which includes elements of service quality not part of the original conceptual model i.e. discovery of new elements of functional and technical service quality that significantly impact trust and satisfaction levels, and WOM referral intention, are then detailed in the section thereafter.

### 4.1 | Questions and Selected Interview Excerpts

After the literature review was completed, and the proposed conceptual model was constructed, but before the interview process with *MakeSpace's* clients commenced, the directors of *MakeSpace* were interviewed for the purpose triangulation of both the theory as gleaned from the extant literature, and the data to be extracted from the client participant interviews. The detailed reasoning behind this course of action is detailed in chapter 3.

The interview questions are designed to test the proposed conceptual model, but not to push the words and phrases from same as doing this would likely move the interviewee to give 'correct' or 'expected' answers (Lee, 1993). Thus, as explained in chapter 3, semi-structured interviews were used, as it was necessary to understand how the participants came to their particular beliefs and opinions (Easterby-Smith, Thorpe and Lowe, 1991) with regards to the service they received (given in the case of the Directors' interviews). A number of open-ended questions were asked of every interviewee, with probes and follow-ups to explore their answers in more depth brought in where appropriate (Collis and Hussey, 2009) to lightly steer them so that all the discrete themes are covered.

In summary, the goal of the interview techniques used, was to elicit the interviewees unprompted opinion of the service provided, in as much detail as possible. This yielded the richness of understanding, that similar studies in the past, such as Chen et al (2008), Eisengerich and Bell (2007) did not find through their research methodology (quantitative approach using surveys).

#### 4.1.1 | MakeSpace Directors

**Q** (OPEN). "Please describe how the selection process generally works that ends in *MakeSpace* becoming the chosen service provider"?

**Directors Responses** 

"Almost all of our clients come from referrals. There is next to no repeat business in this business because most people only own one house! We get the odd footfall through the door or those that have come to us through internet searches – these clients are generally looking at the lower end of what we will do and can be trouble – a significant number of these clients are filtered out....do we mean that we sometimes chose the client? Yes – these projects last for a very long time and if you know – and you do quite early – that someone is going to be trouble then we decline the business and say we are too busy."

"We are usually interviewed by the client...the most important thing to do is listen to them and what they want – not go on and on about what we want to do. The encounters need to be on the right side of professional – be friendly but totally professional and display your knowledge as often as possible but not in a showy-technical way. We are trying to start a relationship that could be described as one between colleagues - so it is best to start in that way. Explaining clearly, how the process will work – how they can contact us and how we will contact them – how often face to face meeting will take place – all that kind of stuff. If they have not been to the office then we remind them that we are just down in the village. We are also happy to let a prospective client get in touch with old clients of ours so they can see the work that we have completed – we have found with the client that this has a bit of a wow factor."

Q OPEN. Please describe the journey with a typical client that concluded with the completion of the house extension – during your answer please refer to what aspects of the service affected the quality of your relationship with the client. Please note quality of relationship refers to client levels of satisfaction (that is where their expectations were met) and trust (that is where they are very confident in the skills, quality, good intentions and consistency) with respect to the service provider.

Q. Probes (if required) - And what about the expertise/communication effectiveness/willingness to allow customer involvement/empathy/likability of the service provider with respect to your levels of satisfaction and trust?

"This is not so easy — let's start with trust - building that trust — and you can actually feel them thawing and becoming less cagey — I'd say that they see quickly that we know this business inside out — so they are in good hands I think that our experience - we let them know how long we are in business and a descriptive number of houses we have extended - reassures them — that we contact them regularly and they can contact us — we listen to them and when they get really anxious as they all do at some point or other that this happens in every project and that it is normal — sure we all know from our own experience of trying to extend our own houses while kids are running around that life can be really complicated at this time."

"On the satisfaction side of things – like what they would expect us to do? On time – on budget – the 3D DVD and models are always very populate - show that we know exactly what we are doing – that's it really"

Q. Please explain the reasons why you think clients refer *MakeSpace* to a family member, friend, or work colleague.

"....nearly all the good stuff from the other questions – also that we liked each other at the end of the process must be near top of the list. Again that we know this business inside out – that we took on many of their ideas and listened to them especially when they were panicking – and that really happens – they really do panic – on time on budget."

"For us there is something quite simple – if we mess up on something technical then it is fixable and we get on with it – if we mess up on the other soft stuff or that we didn't take their designs seriously then the relationship will be strained and it's probable that we can kiss goodbye to a referral. Common sense really"

In these selected excerpts, it can be seen that the foundations of the proposed conceptual model are strong. Discovery was made on elements associated with the technical service quality piece of the model, with the service provider making strong claims for the inclusion

Dimensions of service quality and their impact on relationship quality, and referral intention: a study of a high-credence service.

of project delivery skills, experience, and tangibles in the form of 3D DVD and models. These were therefore added to the model, and the interview probing questions ahead of

#### 4.1.2 MakeSpace Clients

the client interviews.

Q (OPEN). "Please describe the selection process that ended in *MakeSpace* becoming your chosen service provider"?

As the answers to these questions were quite easily broken up – they are broken out into the dimensions that the proposed conceptual model advances:

#### **Model Concepts**

#### **Expertise:**

"All the architects we interviewed displayed competence and MakeSpace were no different"

"He had so many practical ideas for what we could do, it was obvious to us that he knew exactly what he was talking about – this gave us real re-assurance."

"He didn't use jargon – he explained things so simply that even I could understand – it takes someone who really knows what they are taking about to achieve this. None of the other architects did this."

"He saw some issues in what plans we had straight away and offered alternatives that worked, not just structurally or planning related but that worked for what we wanted to do from a design perspective".

"He talked our language and not architect speak that we got from some of the others – it really felt like he totally knew what he was talking about – he didn't try to run rings around us with technical speak. From a planning point of view we pretty much where we stood straight away."

#### Likability:

"Talking to him, it felt like I was talking to a friend. I really did."

"I just liked him from the moment I met him. There was a genuine friendliness – and his attitude was so positive it was all about what we can do, not what couldn't be done."

"He came across as very professional but there was a warmness, that was hard not like."

"I was taken aback in my first meeting with him, he was totally professional but at the same time I felt so at ease that I could have been talking to a pal of mine"

"We got on really well – he talked plainly – no jargon, no waffle! That was exactly what we needed".

"He stood out from the others because of his friendliness. It was like I had known met him before if that makes any sense!"

#### <u>Customer Involvement</u>

"We had a rake (a lot) of ideas – and he didn't knock them all down. He listened to us and told us he wanted as many ideas as possible from us – as it was our house – that was great"

"He looked for ideas from us but he also listened to them and in many cases improved them but ran any changes past us first."

"He painted us a picture of what the house could be like but he wanted our input in a major way – he listened and suggested adjustments but didn't dismiss anything out of hand – this gave us confidence in what we wanted to do and we made hay."

"One of the first things he asked us was what we wanted design wise – not some kind of vision he has – it became a dialogue – it was not like some of the other chats we had with architects who told us this that and the other, but didn't listen to what we wanted"

"He said some of the best features of his own house are the ideas that his wife came up with and that showed us that this was a guy that knew it wasn't all about him and his ideas"

"He said it was our house and we would be living in it for years so our ideas were the most relevant – that was really refreshing"

#### <u>Discovery - Openness/Transparency:</u>

"MakeSpace were the most expensive quote by a fair bit – but there were no hidden extras

– no plus pricing – they were simply much more transparent. There was no haggling over

price – that told us a lot. The price was the price – that meant there was no fat built in."

"He gave us client phone numbers and e-mail addresses of clients who would show us around their homes to showcase the work and also talk to us about the project (and they did – warts and all) – that was gold to us – that really sold it for me".

"He didn't sugar coat what the project would be like – he said it would be a year that would have some highs and lows and that we needed to be aware of that....he told us what we needed to hear I guess and not what we wanted to hear. That was transparency that we did not get from the other architects we interviewed".

"Their pricing model detailed everything – it was all there on paper from the start – no messing with extra hidden costs – that was a huge thing for us. We needed that kind of certainty"

"It just felt like he was willing to answer any question we asked him. He didn't try and hide anything. He told us about problems with certain builds and even the problems he had building is own house. That not the type of openness we got from the others. The way the pricing of the project worked was the same – nothing hidden. What you saw is what you got."

#### Localness:

"There was something reassuring that they were just around the corner"

"He knew the area really well...that gave me a feeling of well-being as I was from the other side of the city"

"Their offices were down the road- so it was just another reason to go with them."

"I pass by their offices every day on my cycle to work —there was a re-assurance in that — I don't know why but there just was — I guess maybe it was because I could see their physical office in front of me every day and I could have dropped in if I really needed to talk".

"It was like he was more on our side because he lived and worked locally, I know that sounds odd but that's the feeling we had."

QOPEN. Please describe your journey with *Makespace* that concluded with the completion of your house extension – during your answer please make reference to what aspects of the service affected the quality of your relationship with *Makespace*. Please note quality of relationship refers to your levels of satisfaction (that's where your expectations were met) and trust (that's where you are totally confident in the skills, quality, good intentions and consistency) with respect to the service provider?

Q. Probes (if required) - And what about the expertise/experience/project delivery skills/designs and model/communication effectiveness/willingness to allow customer involvement/empathy/likability of the service provider with respect to your levels of satisfaction and trust?

The above probing questions were posed to each participant where they did not cover the relevant elements (the eight components) of service quality as per the proposed conceptual model in their answer to the initial question. The initial question is somewhat open but restricts their scope of answer to aspects that are significantly affected the relationship quality – this is at the kernel of the study's primary objective. The responses are detailed below:

"Ok — first of all it has to be said it was a long process — over a year so we had numerous meetings with him. Just him though I was not fobbed off to a junior guy or anything like that and I could drop down to chat to him as they are just in the village. There must have been at least twenty, maybe even thirty (meetings) actually. That's not even to mention the emails and phone calls. Let's see — what did I expect and what did they deliver. I expected the whole thing to be run to budget and to the timeline, I expected him to know exactly

what he was doing and explain things to me in layman's terms, I expected some tech gadgetry to show me what my house would look like before a brick was laid. They delivered on all these fronts. The trust stuff is harder to explain but I know that the more I met him the more I trusted them — I was constantly kept in the loop as well which was important—there were next to no surprises—I trusted them to take into account my design ideas and they certainly did that. The other thing was that they totally understood my end of things and never hid anything from me—this is what built up the trust between us"

"If I had to split things between trust and satisfaction issues I'd say...we were satisfied with everything really – from the fact that the project was delivered on time, we didn't have to spend any more than was budgeted, the plans were great and those models he gave us were cool. Trust was earned in our regular meetings though. I loved that they were just around the corner beside Queens. We were told that we would be listened to and we were – nearly all our ideas were brought into the final finish...maybe the more crazy ones weren't but that was a good thing! We also felt he know where we were coming from with our concerns and he was great company – he kept things light even when the project was at really critical points..."

"The key reasons for me would be the clear and regular communication with same person, the fact that we were listened to about designs for the project and changes we wanted to make, the fact that we dealt with just him, his likability and the 3D images and the DVD which really helped us imagine the house as we would live in it. Trust was built up throughout the project – it lasted a long time and we felt we really got to know him and he really did understand us and gave us good scope to change any design were not happy with – this was really evident in the issue with the shower (they wanted their shower to face a different way than the completed design – it was changed for them without any drama made of it). The fact that he was easy to get on with helped enormously – he was upfront about everything"

"It was the constant communication and always dealing with the same person. The relationship was a friendly but professional one which was great. He listened to us – really listened to what we wanted and let us see his work in other houses up close. He knew the business inside out which gave us real reassurance as we had issues with an architect previously – so we may have seemed a little skeptical initially and he understood our worries which helped build trust between us".

Q. Please explain the reasons why you would (would not) refer *MakeSpace* to a family member, friend, or work colleague?

"We would recommend them – no doubt. The project was an absolute marathon and we came out of it on great terms. We trusted him completely – we only dealt with him from MakeSpace – we weren't passed on to anyone else at any stage. Also, yeah, they knew their stuff inside out and the 3D movie was great and the models gave us a great idea of what the house would look like...and it came in on budget and more or less on time but that wasn't the full picture why would refer them...in fact we have already recommended them to two of our friends that wanted to extend their homes – we liked them, they knew exactly what they were doing, they took on our ideas, they understood our worries, and were completely transparent. These were the main reasons for referring them – oh and they were only around the corner. It was a long hard process but in fairness, they were great. Even that problem with the shower didn't cause major upset between us because he realised how important it was to us and fixed it up quickly."

"For us it all came down to trust – if I don't trust a person I'm not going to introduce them to a friend or brother or sister or whatever. It's not all about the finished job - if they were difficult to get on with then I'm not going to tell a friend about them. Where does that leave me with that friend if things go wrong? So...what built up that trust? The constant good interactions, he went with nearly all my ideas – that was great and I love the place maybe

that little bit more because of that. He also understood the storage issue with kids as he had five kids himself. The other thing was that he let us talk to his old clients and even showed us around his own house. Another thing was the running of the project and how much he knew – yes they are totally important and if things had gone wrong on that front we wouldn't have recommended them but it would not have made us recommend them either – it was the other bits and pieces – especially being listened to."

"Funny you should ask that because we recommended them to a family member half way through the process to my sister-in-law. We had no worries about it coming back to bite us as they were completely open with us and we could get a hold of then pretty easily and they were so up-front about everything. It was so handy that their offices were so close as if there was a serious problem they were over in no time. If I was to put things in order about why we referred them than it would be the involvement we had in design and just the fact that they really listened to us, they were always available to talk and got back to emails quickly so we never felt isolated on the project, they seemed to know how we felt about certain things like the issue with our neighbour complaining about the side window — it was redrawn quickly and that kept the peace — he knew problems with neighbours are a nightmare so he sorted it out straight away, and of course we got on like a house on fire — he was great — I see him round the village and we always have a chat when there is time."

"Refer them? Just like why you would refer anybody — because you trust them. The trust thing was because we always knew (within reason) where the project was at. They were just so good at what they did — they knew the business inside out and the little replica they put together with the DVD of what the place would like — they were class. But the real big ticket items for us were his availability — we could nearly always get a hold of him — when we couldn't he got back to us very quickly - and he dealt with everything for us, he also listened to us and it really felt he kind of knew where we were coming from on stuff — he had obviously been around the block a few times. It also helped that he is a great guy —

we've even met him for lunch since the project finished. We would not hesitate to refer them."

"I'd recommend them to my mum if she was going to extend – how about that for a referral?

We totally trust them because they listened to us and followed through – they send us regular updates and we could phone them and deal with the same person all the time – he knew where we were coming from with the utility room and the extra storage – storage!

He said he had five kids of his own so it felt like he was on our side if you know what I mean.

All the other stuff like models and the 3D DVD movie, and the delivery of the project on time was important to us but we kind of expected that from such a professional outfit."

Really strong support for the model is articulated in these interviewee responses. The majority of the dimensions of the model are supported and some discovery is made with the insights on the importance having a local presence, the consistent approach of dealing with the same person all the time, and the openness/transparency of the service provider proving very popular with clients.

#### 4.2 | Directed Themed Content Analysis

As described in chapter 3, a directed themed content analysis is used to breakdown the interview transcript content. As can be seen in section 4.1 – where a selection of excerpts is detailed – there is a sizeable amount of data gleaned from the interviews. The text of the interviews is broken down into easily understood bite size chunks which suits this study perfectly considering the goal of the study is to validate and extend conceptually a theoretical framework (Hsieh and Shannon, 2005) or theory. Breaking the interview data down so that the importance of each element could be quantified and thus displayed in summary form made complete sense. Four tables are displayed. Table 6 – on page 64 – displays the detailed client interview data with regard to the eight dimensions of service quality and the quantum of impact on trust and satisfaction levels. To illustrate we can see

that service provider expertise is mentioned by all the interview participants as important to their feelings of satiation and their levels of trust in the service provider; on the other hand service provider experience has no impact on feelings of satisfaction in these clients and only two participants feel it has significant impact on trust levels. Table 7 on - page 65 - is similar but here the dependent concept is WOM referral. Table 8 and 9 – on page 65 - are analogous to 6 and 7 respectively but these relate to new dimensions of service quality part of the proposed conceptual model. A discussion of these findings takes place in the upcoming chapter 5.

|                               | Element                                    | Building Trust - # of<br>interviewees who raised<br>this as an important<br>factor. | Feelings of<br>Satisfaction - # of<br>Interviewees who<br>raised this as an<br>important factor. |
|-------------------------------|--|---|--|
| Technical Service Quality     | Expertise of Service Provider              | 5   | 5  |
|                               | Experience of Service Provider             | 2   | 0  |
|                               | Project Accuracy & Alacrity                | 2   | 4  |
|                               | Designs & Models                           | 2   | 5  |
| Functional Service<br>Quality | Communication Quality                      | 5   | 5  |
|                               | Customer Involvement in<br>Process         | 5   | 5  |
|                               | Empathy displayed by Service<br>Provider   | 5   | 1  |
|                               | Likability/openness of Service<br>Provider | 5   | 2  |

Source: Interviews conducted with 5 clients of MakeSpace - June 2017

| able 7                        | Themed Directed Content Analys           | sis based on Conceptual         |
|-------------------------------|--|---------------------------------|
|                               | Element                                  | Crucial to Referral<br>Decision |
| ë                             | Expertise of Service Provider            | 5                               |
| l Serv                        | Experience of Service Provider           | 0                               |
| Technical Service<br>Quality  | Project Accuracy & Alacrity              | 3                               |
|                               | Designs & Models                         | 2                               |
| Functional Service<br>Quality | Communication Quality                    | 5                               |
|                               | Customer Involvement in<br>Process       | 5                               |
|                               | Empathy displayed by Service<br>Provider | 4                               |
| Fun                           | Likability of Service Provider           | 5                               |

Source: Interviews conducted with 5 clients of MakeSpace - June 2017

|               | Element        | Building Trust - # of<br>interviewees who raised<br>this as an important<br>factor. | Feelings of<br>Satisfaction - # of<br>Interviewees who<br>raised this as an |
|---------------|----------------|---|---|
| Other Factors | Local Presence | 4   | 0   |
|               | Consistency    | 3   | 3   |
| oth<br>G      | Openness       | 5   | 0   |

Source: Interviews conducted with 5 clients of MakeSpace - June 2017

|            | Element        | Crucial to Referral |
|------------|----------------|---------------------|
| er Factors | Local Presence | 3                   |
|            | Consistency    | 4                   |
| Other      | Openness       | 5                   |

Source: Interviews conducted with 5 clients of MakeSpace - June 2017

# Chapter V | Discussion, Recommendations & Further Research

### 5 | Introduction

This chapter will discuss the research findings as detailed in chapter 4. The consequences of the findings will be discussed for each of the eight dimensions, of service quality, in terms of their impact on satisfaction, trust, and referral intention. Discoveries made with regard to new impactful service quality elements will also be described and discussed. The repercussions for the proposed conceptual model will be set out and its re-design presented. Thereafter, recommendations for the service provider, on foot of the findings, will be detailed and suggestions made for further research in this area.

### 5.1 | Discussion

Through the case study strategy employed, the research has verified the majority of the relationships as laid out in the in the proposed conceptual model. The study examined the associations between the eight elements of functional and technical service quality, and trust and customer satisfaction respectfully. Separately, the connections between these same dimensions, of service quality, were investigated with regard to their impact on customer referral intention.

The findings indicate that among the eight dimensions of service quality, that service provider expertise, communications quality, customer involvement, and empathy of the service provider, are all very impactful on customer levels of trust, satisfaction and for referral intention. Service provider likability scored relatively moderately for trust and satisfaction but its catalytic properties apropos referral intention are unanimous amongst the client participants. Conversely, while service provider tangibles and project delivery skills registered strongly with customers vis-a-vis satisfaction levels, this was not mirrored in customer referral intention which in fact echoed the more temperate levels of trust these two dimensions evoked. Finally, experience effectively 'flat-lined' as factor of significance for satisfaction levels and referral intention; however it does score modestly

for trust enhancement but this may just be a remnant of the search and selection phase.

Each dimension of service quality, relevant to the proposed conceptual model, will now be discussed with regards to its significance, or otherwise, to trust, customer satisfaction levels, and referral intention. The dimensions will be discussed in order of their impact on the relevant concepts; the scores as per the directed thematic code tables are summarised for each element for ease of reference.

### 5.1.1 | Expertise

| Element   | Trust | Satisfaction | Referral Intention |
|-----------|-------|--------------|--------------------|
| Expertise | 5     | 5            | 5                  |

Application, articulation, and demonstration of expertise cropped up again and again in the client interviews. These were mentioned by every interviewee with regard to all three concepts i.e. building trust, boosting satisfaction levels and encouraging referral intention. This chimes with previous studies (Chen *et al.*, 2008, Crosby *et al.*, 1990: Andaleeb and Anwar, 1996).

### 5.1.2 | Communication Quality

| Element               | Trust | Satisfaction | Referral Intention |
|-----------------------|-------|--------------|--------------------|
| Communication Quailty | 5     | 5            | 5                  |

Communication quality was very prevalent in the client interviews. As this service is so bespoke, and nuanced, the client cannot assume anything, so it is therefore critical that they be kept informed, and consulted, on developments and design issues respectively. Communication quality was highlighted by all five interviewees regarding trust, customer satisfaction levels and importance referral intention; which is consistent with Bruning and Hatfield (2002) who advocate that the delivery of good services hinges on effective communications. This is further reinforced by similar studies (Chen *et al.*, 2008; Bland, 1997; Ramsey and Sohi, 1997).

#### 5.1.3 | Customer Involvement

| Element              | Trust | Satisfaction | Referral Intention |
|----------------------|-------|--------------|--------------------|
| Customer Involvement | 5     | 5            | 5                  |

The final element that rated highly with all participants on all the concepts is customer involvement in decisions made during the project. Due to the bespoke and personalised nature of this high-credence service it is vital to the customer that they are treated as co-creators/designers (Ganesan, 1994). If this does not transpire then trust, satisfaction, and referral intentions will be severely affected as the service provider will in affect deliver a service that the customer does not want.

#### 5.1.5 | Empathy

| Element | Trust | Satisfaction | Referral Intention |
|---------|-------|--------------|--------------------|
| Empathy | 5     | 4            | 4                  |

Empathy has significant impact on trust, satisfaction and referral intention, in this study. This is surely down to the nature of high-credence services which often require the seller to establish the buyer's requirements (Darby & Karni, 1973), and where a large degree of information asymmetries exists between the two parties (Mortimer & Pressey, 2013). Chen *et al.* (2008) are of the opinion that through an empathic service provider the suspicion, bewilderment, and confusion that the customer can often feel is assuaged. Such an empathic approach will send levels of satisfaction and trust rocketing as the customer feels that they have been given special treatment and studied attention (Chen *et al.*, 2008).

### 5.1.4 | Likability

| Element    | Trust | Satisfaction | Referral Intention |
|------------|-------|--------------|--------------------|
| Likability | 2     | 3            | 5                  |

Likability of the service provider figures reasonably with respect to boosting satisfaction levels but does not perform so well with regard to trust levels however all participants rated

it as important with regard to referral intention. Andaleeb and Anwar (1996) postulate that just because a person is likable, it does not translate that trust levels will inflate. Chen *et al.* (2008) attributes this to the probability that in a high-credence service setting, where expertise is so prized, that factors such as friendliness and pleasantness do not count for much where trust levels are concerned. With regard to satisfaction levels, Oliver (1999) advances that the likability of the provider can incrementally build satisfaction levels in the client through continued exposure in meetings etc. Finally, the ubiquity of likability, in the interviews, as a factor in encouraging referral may be down to the risk, the client takes, when recommending a service provider, to their reputation so thus a more likely to refer an amiable provider (Eisengerich and Bell, 2007. Who wants to refer someone that is truculent, despite all other attributes, when projects last for a year or more?

## 5.1.6 | The Tangibles & Project Delivery

| Element          | Trust | Satisfaction | Referral Intention |
|------------------|-------|--------------|--------------------|
| Project Delivery | 2     | 4            | 3                  |
| Tangibles        | 2     | 5            | 2                  |

Both of thse elements have moderate impacts on trust levels. Eisengerich and Bell (2007) argue that in professional services technical competence is not a key driver of trust levels but has strong impact on satisfaction levels. This belief certainly suits these results but is somehwat contracdcited by the expertise fndings. Perhaps these essential technical competencies are taken for granted? It could be argued that these components could easily fall under experise however, to give the conceptual model genuine breadth they will remain as individlual dimensions.

#### 5.1.7 | Experience

| Element    | Trust | Satisfaction | Referral Intention |
|------------|-------|--------------|--------------------|
| Experience | 2     | 0            | 0                  |

Experience of the service provider did not rate as an influencing vehicle for raising

customer satisfaction levels or encouraging WOM referral. The willingness of the service provider to allow client access to work they have completed could be said to fall under this category, however the research decided that such attributes should fall under a more specific heading, namely openness/transparency – see section 5.2

## 5.2 Discovery

| Element              | Trust | Satisfaction | Referral Intention |
|----------------------|-------|--------------|--------------------|
| Local Presence       | 4     | 0            | 3                  |
| Consistency          | 3     | 3            | 4                  |
| Openness/Tranparency | 5     | 0            | 5                  |

During the course of the client interviews a number of new dimensions to service quality surfaced. All five interviewees mentioned openness/transparency as crucial to building trust levels and indeed referral intention. Building trust through openness/transparency would appear to be axiomatic. Are openness/transparency not patently interlinked with trust? Yes, indeed they are but not all service providers act on this and can be protective of their previous work, their pricing model, and indeed the complexity involved in delivering such a complex project.

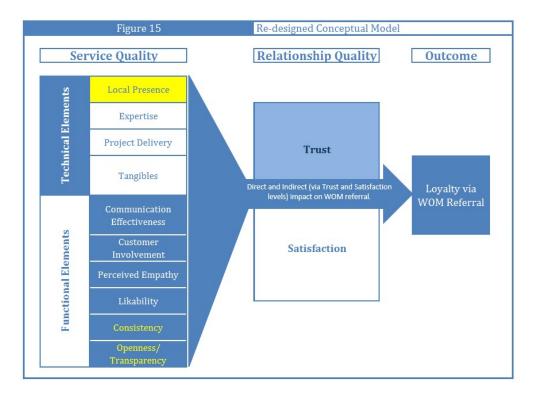
All customers crave consistency both in goods and services. Consistency in delivering high-credence services is very difficult to achieve, as explained in chapter 2. The client participants perceive consistency as dealing with the same person, from the service provider, all the time. This reflects the deeply human nature of high-credence services. A tumultuous year for these clients can be tempered somewhat if they have an anchor — that anchor being dealing with the same person every time from the service provider. The client participants rated this dimension moderately too high in importance across all threes concepts hence its addition to the re-designed conceptual model.

Finally, the service provider being local really boosts trust levels for clients and was a moderately important for referral intention. This localness is understandable as

considering the cost involved it is important psychologically for the client to see the bricks and mortar set-up of the service provider on a regular basis. Furthermore there is also the aspect of giving business to local businesses which has a feel-good factor, community spirit to it — with the added bonus that if something goes wrong they know where to find them.

## 5.3 | Model Re-Design

Taking into account the findings, it is clear that service provider experience as driver of trust, satisfaction and WOM referral does not bear scrutiny, and is removed from the model. Perhaps, when the service provider insisted on its inclusion, during their interviews, they had concluded that the client's good feeling inspired by visiting sites where MakeSpace had worked, fell under the 'experience' category. Clients termed this openness/transparency, which has now been included in an expanded re-designed conceptual model – see figure 15 below. The extended model also makes room for the localness of the service provider and the consistency of service representative.



# 5.4 | Practical Implications and Limitations

The most striking aspect of the findings is the importance of so many elements, of service quality, to customer satisfaction and trust levels and their WOM referral intentions. Another conspicuous finding is the preponderance of functional elements that were uppermost in the mindset of the client participants when discussing their views on trust, satisfaction, and WOM referral intention. There are very real and practical implications here for high-credence service providers within these findings.

If we first look at the most impactful elements, they can be broken into two distinct groups. The first set includes communication quality, consistency, customer involvement and openness/transparency. These elements can be regulated by the service provider by putting in place procedures, processes and checklists for interacting with clients. For instance how often to contact clients, how quickly to get back to them, the client's vision to be documented in writing, and a set list of properties to seek permission for customers to view depending on the type of extension they require.

The second set of elements includes expertise, empathy and likability – these are all to a certain degree measurable when either taking on staff or appraising them. Where deficiencies are unearthed then if they are existing staff they will require training, and if not then they should not be hired.

A caveat to the foregoing is that in all companies resources are scarce, and require careful allocation, hence the service provider should concentrate first on those dimensions where the largest shortfalls are to be found.

The remaining elements were not mentioned as frequently, during the client interviews, as those above. But if the service provider concludes that they are much less important they are making a big mistake. For instance, as mentioned previously, technical competence has an anomalous relationship with trust. Eisengerich and Bell (2007) advance

that trust is not affected by technical competence - project delivery and the tangibles would belong in this category. Clients expect these element and they therefore impact satisfaction levels more than they do trust levels. Furthermore these concepts do not seriously impact on referral intention, in this study. However, the researcher surmises that if the service provider fails on the project delivery side then there would be a large knock affect for referral intention. The service provider therefore must continue to deliver high standard project management through the appropriate training, software implementation, and invest in the most up to date equipment (and training for same) to showcase designs to clients.

The remaining element of localness is set apart. We must be realistic and admit that the service provider can't have a presence in every locality but what they can do, from a marketing perspective, is really sell the fact that they are local which, from the findings of the study, resonates with clients.

The findings of the study must be viewed through the prism of its many limitations, however. The service that has been studied, domestic architectural services, is unusual for two reasons – firstly the length of time, and intensity, associated with these projects, and secondly that the service provider is really only interested in WOM referral from clients and not re-patronage. For these reasons the finding cannot be generalized to the wider services industry, or even other high-credence services.

A further limitation is the inability of the research to 'checkpoint' the relationship throughout project so as to gauge opinions, from the client and service provider, at different stages. This would allow the longitudinal affects, of the various dimensions, to be explored with regard to the impact on trust, satisfaction and WOM referral intention.

Finally, the study aims at a happy medium of looking at both the service quality dimensions' impact on WOM referral and on trust and satisfaction levels. This could be deemed to be

hedging bets and that perhaps trust and satisfaction could have been left out altogether with an unadulterated look at the service quality elements and their effects on WOM referral. This researcher felt that would have not reflected reality and that the relationship quality dimensions of trust and satisfaction are inextricably linked with referral intention.

## 5.5 | Recommendations for Future Research

Bearing in mind the limitations, as already exposed in this section and in chapter 3, the aims of future research (as recommended by this study) should be to at the very least address those aforementioned shortcomings. Such a cautious approach, is not countenanced and the recommendations will also address some of the paradoxes and thought-provoking findings as described heretofore.

On close observation of the uniqueness of the high-credence service studied, in terms of the relationship time-span, we see that a longitudinal research design study is logical for many reasons. Such a design might explain some of the puzzling results. For instance, the absolute domination of functional service quality dimensions, service provider expertise being the exception for the technical service quality 'side', as harbingers of significance in relation to trust and satisfaction levels, and WOM referral intention. Perhaps this domination is down to the time-span of the projects, functional service quality does not have such an impact in shorter term high-credence service relationship. Examples such as car or laptop repair certainly spring to mind here. Customers are not really concerned if the mechanic/IT technician is a nice person as long they fix their car/device at a reasonable price, in an appropriate time-frame. Perhaps the long term nature of the relationship allows for some mishaps on the technical side which can be recovered. Functional issues are more likely to fester in the longer term relationships and thus have a bigger impact. A longitudinal design might certainly tease out responses to some of these question by breaking up the service into smaller pieces through snapshots taken at selected intervals.

Another area that was in fact part of the original conceptual model, as mentioned in chapter 3, is the search and selection process. If this were to be re-integrated into an expanded model we would find that referrals book-end the process i.e. a new client is referred at the beginning of the process and then is potentially the referrer at the end. The views of such a client, especially taken at intervals on a longitudinal basis, would be fascinating, yielding yet more information and allowing new insights. Moreover such an approach might reveal that trust and/or raised expectations are passed on through the act of referral, thus giving the service provider an advantage in terms of the trust transferred, but also drawback with regard to the raised expectations of the client being difficult to satisfy.

Finally, an area that should be of interest for further research was contained in a Directors' vignette in relation to 'choosing' clients. In this instance the Director described the process whereby *MakeSpace* decline clients that are likely to be troublesome. The Director explained that there is no formal policy at play here but an instinctive reaction to a prospective client is listened to and a decision is made thereafter. There are repercussions to this that are not immediately apparent. Such an approach will lead to a certain type of client being acceptable. These types of client's generally know like-minded people who they will refer *MakeSpace* to. Therefore, the service provider encounters more and more of the same type clients they want to deal with. A study of this phenomena would be intriguing.

## 5.6 | Conclusions

The dearth of extant high-credence services' literature, researching multiple elements of service quality and their impact on relationship quality and WOM referral intention, handed this study an opportunity to fill a sizeable gap. The study has done so by showing that there are indeed a large number of service quality dimensions that significantly impact

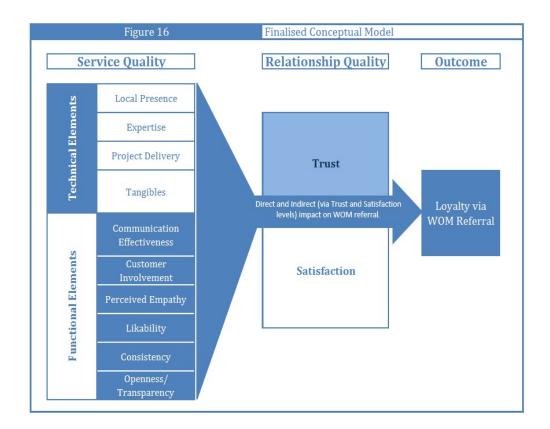
relationship quality, and WOM referral intention. Furthermore, the research reveals that in such long-term unbroken service relationships, that functional service quality elements far outstrip technical service elements in respect to their importance to customer levels of trust, and referral intention. Technical service quality was found to have more of a bearing on satisfaction levels, however this appears to have insignificant influence on customer referral intention.

These findings raise questions in relation to the standing literature's position with regard to trust and satisfaction's hegemony of customer referral intention antecedents. Firstly, it appears that trust is by far the senior partner in the relationship quality construct in this high-credence service setting. Secondly, the substantial impact 'likability of the service provider' has on referral intention is inexplicable by the extant literature, as it had a moderate effect on both trust and satisfaction levels. The decision to test the various service quality dimension's influence on referral intention both indirectly, using relationship quality as a mediating construct, and directly on customer referral intention, is thus vindicated.

After testing via the case study, the proposed conceptual model was found to be reasonably robust. The only service quality dimension found to be inconsequential with respect to its influence on trust, satisfaction, and referral intention, is service provider experience. However, this is perhaps owing to a misapprehension on the Director's part, and a blurring of the boundaries between the search and selection process and the project proper. In any case, the service provider supposition of what experience meant actually supplied a ready replacement with a new dimension - openness/transparency. The further additions of 'localness' and 'consistency' were strongly felt to have significant impact on trust and WOM referral intention by the client participants. The significance of these elements are certainly not unique to high-credence services, or even the wider services

sector, and perhaps reveal that some blinkered thinking (high-credence services fixation) influenced the model construction.

A follow up study using a similar model but with a wider reach in terms of both the number service quality dimensions under consideration, and of participants involved, is advised. Using a survey and a quantitative approach would add greater validity to the finalised model as presented below in Figure 16. However, many interesting insights were reached, multiple future research designs have been put forward, and a finalised conceptual model is presented.



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