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Editorial Board

Editorial Comment

There is a view, fostered largely by romanticists, that the scientific method privileges reason as its preferred mode of enquiry, and, in the process, falsifies reality by breaking it up into disconnected and lifeless entities in the human sciences.

On the other hand, academic research, to the extent that it adopts a being-in-the-world approach encourages a more contextualised perspective. Through a range of methodologies, both quantitative and qualitative, it seeks to obtain a more holistic understanding of the research topic. Data obtained from the field through surveys, interviews and checked against what others say or have done (particularly through literature reviews) give inter-subjective agreement to the falsifiability of the null hypotheses which informed the research endeavour. They provide a basis for further review and interlocution which can lead to greater confidence in the utility of the data.

Throughout this process of discourse, knowledge as know-how is attained, creating a utilitarian skilling to cope. In this sense, we learn by doing, to cope by the actions we take; we are what we do. It becomes justification when it translates into good performance through competent behaviour, enabling us to rise up to the challenges and demands of a knowledge society in which we move and live in and have our being.

The articles in this issue deal with different workplace copings; Ms. Anna Pham and Dr. Ron Lim's customer satisfaction findings in the medical tourism industry in Singapore; Sandy Goh's genre analysis relating to academic job application letters, Dr. Baksi's research on service recovery applied to the Indian banking sector; and Aravindan and Dr. Lee's inquiry into the impact of corporate image on business performance. Readers interested in follow-up discussions are invited to contact the authors directly.

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"Customer service is just a day in, day out ongoing, never ending, unremitting, persevering, compassionate type of activity."

– Leon Gorman

A Study on the Determinants Influencing Customer Satisfaction in the Medical Tourism Industry in Singapore

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Abstract

The aim of this study is to examine the factors that determine customer satisfaction for tourists who seek medical treatment in Singapore. The literature review includes key theories such as Expectation Confirmation Theory, the KANO Model, and other important customer satisfaction concepts. Specific research questions have been developed to understand customers' expectations of medical services in Singapore. The key variables include financial considerations, service quality, and medical facilities as the independent variables; customer satisfaction as the dependent variable, and the Singapore environment (comprising culture, location, and government) as the moderating variable.

In order to address the research questions comprehensively, the study adopted a mixed research design. A sample of 330, drawn from medical tourists coming to Singapore, participated in the quantitative research survey. Qualitative interviews were added to lend depth to the overall research. Multiple and hierarchical regressions were applied to the four main hypotheses. The findings from the regressions demonstrated that medical service quality, facilities, and advanced technology had significant and positive influences on customer satisfaction, followed by medical service quality such as the professionalism of the medical practitioners. However, the regressions indicated a negative relationship between financial considerations and customer satisfaction.

Keywords: Customer Satisfaction, Medical Tourism, Service Quality, Customer Expection, Perceived Performance

1. Introduction

Medical tourism which has been defined as involving people who travel outside their own country to seek medical treatment with the objective of lower treatment costs and/or to enjoy better quality in medical services, continues to be a growing global industry (Keckley & Underwood, 2008). It has been one of the fastest growing industries in the world in the last decade. People from all over the world have travelled in search of medical treatment, seeking out value-for-money services, with high customer satisfaction and the best treatment alternatives (Caballeron & Mugomba, 2007).

2. Research Objectives

The aim of this paper is to examine the determinants that influence customer satisfaction when customers seek medical treatment in Singapore. By measuring their satisfaction, a conceptual framework has been proposed. This relationship is moderated by Singapore-related environmental factors. The key variables include financial considerations, service quality, and medical facilities as the independent variables; customer satisfaction as the dependent variable, and the Singapore environment (comprising culture, location, and government) as the moderating variable. Four hypotheses were generated for this study to explain the relationship between (1) financial considerations and customer satisfaction, (2) service quality and customer satisfaction, (3) medical facilities and customer satisfaction, and (4) the Singapore environment and customer satisfaction, and these were all measured within the context of the medical tourism industry in Singapore.

3. Literature Review

The parent discipline of this research has adopted the Kano model and the Expectation Confirmation Theory (ECT) as the cornerstone of this research, followed by a review of other fundamental concepts that influenced customer satisfaction over the past decades.

3.1 Expectation Confirmation Theory (ECT)

The Expectation Confirmation Theory which was first proposed by Oliver (1997a) uncovered positive or negative confirmation between expectation and actual performance. If a product outperforms expectations then 'positive confirmation' results in post-purchase satisfaction. If a product does not live up to expectations then the term 'negative confirmation' is used and the customer is likely to be dissatisfied (Oliver 1980; Spreng, MacKenzie & Olshavsky 1996), see Figure 1.

Figure 1: Expectation Confirmation Theory
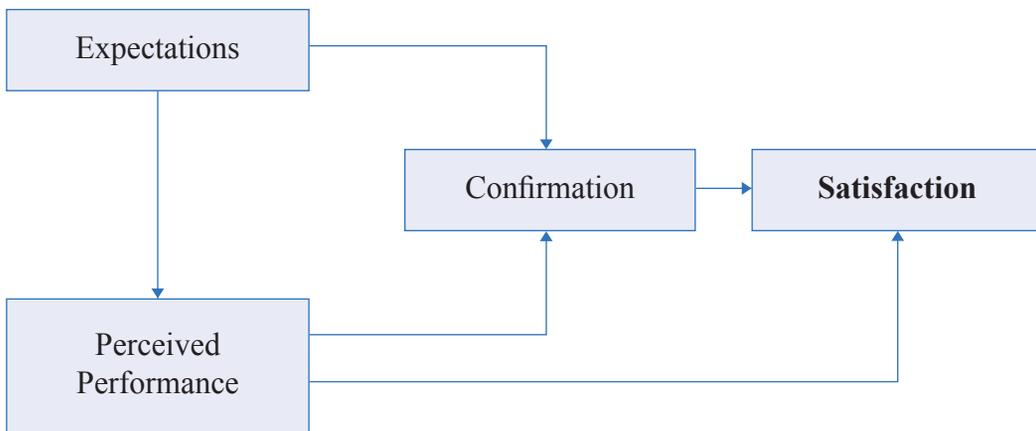
Source: Oliver (1980, 1997b)

The four main elements in the model are expectations, perceived performance, confirmation, and satisfaction. Positive confirmation leads to satisfaction, while negative confirmation leads to dissatisfaction (Reimer & Kuehn, 2005).

Customers expect good quality products based on prices that they are willing to pay. Their product expectations are clear. However, when it comes to product service, their expectations may not match the product expectations. When customers start relationships with any organisation, they will have a specific set of expectations (Fornell, 1992). These expectations are based on their perceptions of the service personnel, the company, and the industry (Ojo, 2010). These expectations are formed through past personal experience and the experience of others with whom the customer interacts (Negi, 2009). Therefore, customers have already set out their expectations before they come to Singapore for medical treatment in the context of this research.

According to Oliver (1997a), perceived performance often differs from objective or technical performance, especially when the medical service is complex and intangible, and particularly, when foreign customers are unfamiliar with Singapore's medical services. Customers may perceive the performance of the medical services here to be of very high quality due to the general quality branding of Singapore as a country of good reputation. Confirmation on the other hand, is the evaluation of perceived performance according to one or more comparisons of quality standards.

Confirmation can have a positive effect, which is usually implied through satisfaction, or a negative effect, which is usually implied through dissatisfaction or a zero effect result (Oliver, 1980). Customer satisfaction is defined within Expectation Confirmation Theory as the result of cognitive and affective evaluation. If the perceived performance exceeds expectations, customers will be satisfied. On the other hand, if the perceived performance is less than expected, customers will be dissatisfied (Oliver, 1997b).

3.2 The Kano model

The customer satisfaction model from Professor Noriaki Kano focused on quality management and marketing techniques that can be used to measure clients' happiness (Kano et al., 1984). The Kano model is a tool that can be used to prioritise the Critical To Quality (CTQ) characteristics or situations, as defined by the Voice of the Customer (VOC). The Kano model identifies three main categories:

(i) Must Be: This quality characteristic must always be present or the customer will go elsewhere. It is, the minimum quality required to attract the customer.
(ii) Performance: The better we are at meeting customers' needs, the more satisfied they will be. Companies therefore, strive to perform to as high a level as possible.
(iii) Delight: Qualities which are beyond the customers' expectations are perceived as a bonus, and consequently satisfy them.

The Kano model is represented as an x-y graph (Figure 2). The x-axis indicates how good service providers are at meeting customer expectations with Critical To Quality (CTQ) characteristics. The y-axis indicates the level of customer satisfaction as a result of the service providers' level of achievement (Spool, 2011).

Figure 2: The Kano model
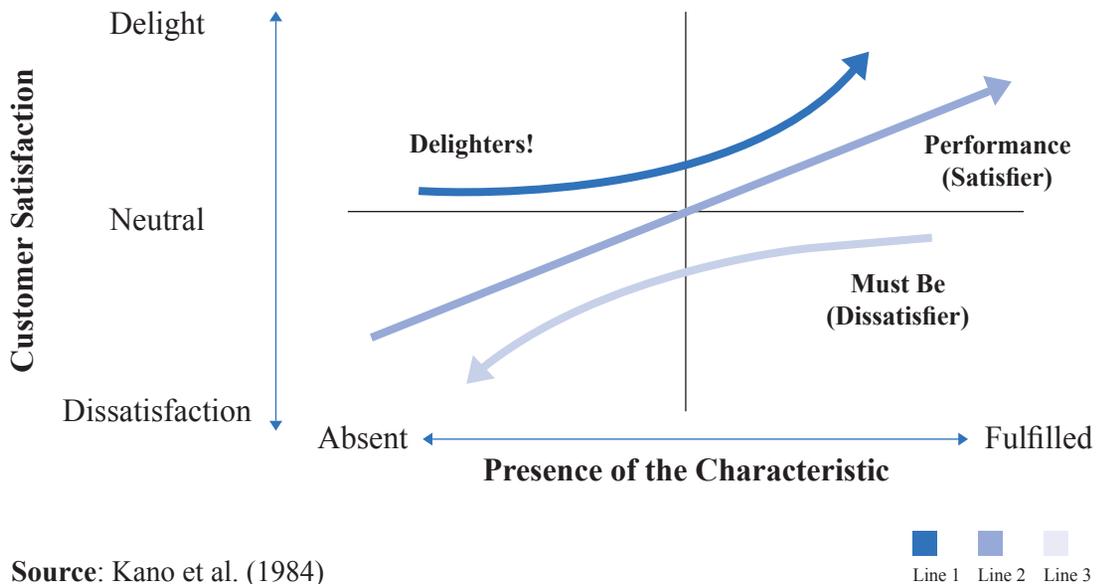
Source: Kano et al. (1984)

Firstly, Line 3 on the Kano model represents the **Must Be** factors. That is, whatever the quality characteristic is, it must always be present. If the quality characteristic is not met, the customer will go elsewhere. The customer will only consider a product or a service when the quality characteristic is present and is functionally doing what it was designed to do.

Secondly, Line 2 on the Kano model represents the **Performance**. This line reflects the **Voice of the Customer**. The better the service provider's performance of meeting customer needs, the more satisfied the customer will be.

Lastly, Line 1, which is the most interesting part of the Kano model, is the **Delighter**. This represents the qualities that the customer was not expecting, but received as a bonus.

A study of customer satisfaction, customer loyalty, and quality attributes in Taiwan's medical service industry by Hu et al. (2011) integrated the Kano model and the Customer Satisfaction Index Model. They stated that today's attractive quality attributes can be converted to **Must Be** quality attributes and eventually become one-dimensional quality attributes. The Kano model allows researchers to better address

the needs of the customer based on their Critical To Quality characteristics and Voice of the Customer, and to minimise the gap between service quality and customer satisfaction (Kano et al., 1984).

3.3 Other Key Concepts

This study also covers a vast pool of past research on customer satisfaction. Hong and Goo (2004) noted that service quality is more difficult for consumers to evaluate than product quality. This is due to a lack of tangible evidence associated with services. It is particularly true for healthcare services because they are very customer-oriented, and this increases the level of variability of the service quality. Their study was further elaborated by Eskildsen and Kristensen (2007), who noted that although service quality has a significant impact on customer satisfaction and customer loyalty across all industries, it is even more important for healthcare industry services.

According to Cook (2008), unless perceived expectations are met with actual performance, customers will become indifferent or be in a neutral mode. In general, increased customer satisfaction will lead to a higher customer retention rate, increased customer repurchase practice, and ultimately will steer the firm to higher profitability. In principle, there are two general conceptualisations of customer satisfaction; transaction-specific satisfaction and cumulative satisfaction. These are explained by Jones and Suh (2000), and supported by a study by Yi and La (2004). Transaction-specific satisfaction is a customer's evaluation of personal experience and reaction to a particular or specific service encounter (Boshoff & Gray, 2004). Cumulative satisfaction refers to the customer's overall evaluation of the consumer experience to date (Cook, 2008).

However, for more than two decades, customer satisfaction has been an intensively debated subject in the areas of consumer and marketing research. In recent times, customer satisfaction has attracted new attention due to the paradigm shift from transactional marketing to relationship marketing (Gronroos, 1990). Relationship marketing refers to all marketing activities directed towards establishing, developing, and constantly maintaining successful relational exchanges (Yi & La, 2005). Customer satisfaction depends on the perceived performance of the product relative to the buyers'

expectations. If product performance falls short of expectations, the customer will be dissatisfied. If performance matches expectations, the customer will be satisfied. In addition, if performance exceeds expectations, the customer will be highly satisfied or delighted (Kotler & Armstrong, 2006). Customer satisfaction can be defined as the customer getting more benefit from the product or service than the cost (Liu & Yen, 2010).

Outstanding marketing companies try to keep their important customers satisfied all the time. These highly satisfied customers will make repeat purchases and recommend to others by word of mouth, the good experience and good service received with the product. The marketing companies' strategy is to match customer expectations with company performance. Resourceful companies aim to meet their customers' expectations by promising not only what they can deliver, but delivering more than they have promised or committed to (Gronroos, 2001).

According to Zeithaml, Rust and Lemon (2001), statistics show that dissatisfied customers are likely to complain about their negative experience on poor service to between seven and twenty people, while satisfied customers will only tell three to five people about their positive experience. Oliver (1997b) defined satisfaction simply as a consumer-fulfilled response. It is for the customer to judge whether a product or a service provides a pleasurable level of consumption-related fulfilment, including levels of under- or over-fulfilment. Satisfaction is a short-term feeling that can readily change due to circumstances. It resides in the user's mind and is different to observable behaviours such as choosing a product, complaining, or repeating a purchase (Oh, 1999).

Bitner and Hubbert (1994) offered a different perspective within service quality theories in that their study supported the conceptualisation of perceived quality as a separate entity, distinct from satisfaction. While the Expectations Confirmation Model has been the dominant model in satisfaction research, another model by Latour and Peat (1979) proposed that consumers compare their pre- with their post-expectations of a product or service, and that this results in their satisfaction or dissatisfaction towards the product or the service. According to Alford and Sherrell (1996) as well as Morgan, Anderson and Mittal (2005), positive confirmation results in increased consumer satisfaction, whereas negative confirmation results in decreased consumer satisfaction.

In a subsequent extension of Oliver's model, Burke, Kovar and Prenshaw's (2003) model indicated that both expectation and performance directly influence satisfaction.

Their functional equation is as follows:

$$\text{Satisfaction} = \alpha \text{ Expectation} + \beta \text{ Performance} + \text{ Confirmation}$$

4. Proposed Model for Measuring Customer Satisfaction

Satisfaction parameters comprise a lower level (insufficiency or under-fulfilment) and an upper level (excess or over-fulfilment). Many people focus on the lower threshold and neglect the potential for an upper threshold. Using the theories already discussed above will enable the researcher to create a modified formula for measuring customer satisfaction.

Proposed Measuring Customer Satisfaction Formula

Customer Satisfaction = Customer Expectation – Customer Perceived Performance

By applying the equation to the area of medical tourism, customer satisfaction should be influenced by a customer's perceived quality of the medical service attributes and its features and benefits, and is moderated by customer expectations, regardless of medical services quality. This formula is a close equivalent of Anderson's et al. (2005) model that demonstrated that customers who are extremely satisfied with their service experience with a given firm will be most likely to continue to return to that firm at the same frquency, or even at a higher frequency. However, when they are dissatisfied with a service, customers are even more likely to 'spread the word' and influence the expectations of others.

4.1 The Conceptual Framework

The conceptual framework comprises customer satisfaction as the dependent variable, and financial considerations, service quality, and medical facilities as the main categories of the independent variables. The relationship between the dependent and the independent variables is moderated by the environment in Singapore, which comprises three factors: the support of the Singapore government, location, and culture. This model is illustrated in Figure 3.

Figure 3: Conceptual Framework

H1 Financial Consideration

H1a. Cost factor

H2 Service Quality

H2a. Professionalism
H2b. Prompt service
H2c. Customers' expectations
& Perceived service quality

Customer Satisfaction

H3 Medical Facilities

H3a. Advanced facilities
H3b. Advanced technology

H4 Environment

H4a. Culture
H4b. Location
H4c. Government support

Independent variables   **Moderator variable**   **Dependent variable**

Source: Developed by the researcher

5. Research Analysis and Results

In this study, customer satisfaction measurements were categorised into customer expectations, customer-perceived performance, and customer satisfaction with various channels (doctors, nurses, counter staff, services, and facilities). The formula for measuring customer satisfaction is shown below.

Measuring Customer Satisfaction Formula

Customer satisfaction = Customer Expectation – Customer-Perceived Performance

Table 1: Research Results – Service Channels

Service Channels	Customer Satisfaction	Customer Expectation	Customer-perceived Performance
Doctors	4.47	4.12	4.18
Nurses	4.06	3.75	3.90
Counter staff	3.80	3.51	3.73
Hospital Services	4.17	3.85	4.08
Hospital Facilities	4.36	3.97	4.13
Average	**4.17**	**3.84**	**4.00**

Note: Based on a scale of 1 to 5, where 1 denotes strongly disagree and 5 denotes strongly agree.

Source: Developed by the researcher

Based on Table 1, the analysis uncovered that the overall customers' level of expectation scored a mean of 3.84, while they actually received medical services at a mean score of 4.00, and their satisfaction scored at 4.17. Notably, their expectations of doctors recorded the highest score (4.12), with a satisfaction score of 4.47. This finding indicated that the respondents were satisfied with the service they received from the doctors. Overall, counter-staff service recorded the lowest score among the channels of service (3.80). Customer expectations and customer-perceived performance were noted to be the lowest within their categories, registering scores of 3.51 and 3.73 respectively. These results are consistent with results from Hu et al. (2011), Chaska (2006), Moliner (2009), and Naidu (2009).

Research by Yang and Peterson (2004) demonstrated that customer loyalty is achieved through both satisfaction and perception, and that organisations should then focus primarily on customer satisfaction and perceived value. Subsequently, the research by Hernon and Whitwan (2001) defined customer satisfaction as a measure of how the customer perceives service delivery. To ensure that customer satisfaction levels are high, it is important that organisations understand the expectations of customers and how they can meet such expectations through a satisfactory level of performance. In this context, customer satisfaction helps with customer loyalty and customer retention (Herrick 2007).

Table 2: Results on Hypotheses Testing

Hypo-thesis	Content	Significance P>0.05	Direction of Relationship
H1	**The medical tourists' financial considerations have a direct positive correlation on their level of satisfaction.**		
H1a	The presence of cost factor is highly associated with customer satisfaction.	No	Positive
H1b	Favourable exchange rates positively attract medical tourists.	No	Positive

Hypo-thesis	Content	Significance P>0.05	Direction of Relationship
H2	**The level of service quality in the healthcare organisation has a direct positive correlation on the level of medical tourists' satisfaction.**		
H2a	There is a positive impact of professionalism on customer satisfaction.	Yes	Positive
H2b	Prompt service positively makes customers happy.	No	Negative
H2c	There is a positive impact of performance on customer expectations.	No	Positive
H3	**The state of medical facilities is positively correlated with the medical tourists' satisfaction.**		
H3a	The presence of advanced medical facilities is highly associated with a high level of healthcare services.	No	Positive
H3b	There is a positive impact of advanced medical technology on service quality.	Yes	Positive
H4	**The environment in Singapore, as a moderating variable, which comprises government support, location, and culture, enhances the impact on the medical tourists' satisfaction.**		
H4a	Singapore's multi-culture creates a positive environment for medical tourists.	No	Positive
H4b	Singapore's geographical position benefits medical tourism.	No	Positive
H4c	Singapore Government is an important factor in attracting medical tourists.	Yes	Positive

Source: Developed by the researcher

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The analysis of the hypotheses testing uncovered that Hypothesis 2 (Service quality) is supported by the positive impact of service quality on customer satisfaction. Hypothesis 3 (Medical facilities) is supported since the presence of medical facilities is highly associated with increased medical tourists' satisfaction. Hypothesis 4 (Environment in Singapore) is supported as the environment in Singapore has a positive influence on medical tourism. However, Hypothesis 1 (Financial consideration) is not supported. Each hypothesis is discussed in turn in the following discussions.

Hypothesis 1: The medical tourists' financial considerations have a direct positive correlation on their levels of satisfaction.
H1a. The presence of a cost factor is highly associated with customer satisfaction.
H1b. Favourable exchange rates positively attract medical tourists.

Hypothesis 1 (Financial) is not supported by this research. The reason is that patients understood that financial problems were not associated with satisfaction levels. The findings of this study further confirmed previous research by Forgione and Smith (2006) who stated that most people in healthcare and its related industries were convinced that higher quality means higher cost; if consumers want better healthcare then they should be willing to spend more.

However, most organisations are trying to improve service quality while at the same time lowering their costs through a continuous process involving the efforts of each department within the organisation. Therefore, patients travelling abroad to seek medical treatment at a lower cost is now possible. Dayrit (2004) found that lowering the cost of healthcare while still maintaining a very high level of service quality is the best approach for the healthcare industry to attract foreign patients. As the price of healthcare increases in western nations, many of their citizens travel overseas for medical treatment.

Previous research by Schmeida, McNeal and Mossberger (2007) concluded that price and service quality are major factors affecting and influencing customer decision-making. However, service quality and customer satisfaction are the most important factors. Findings by Homburg, Koschate and Hoyer (2005) showed that there is a strong, positive impact of customer satisfaction on their willingness to pay. Customers who have been very satisfied with a service in the past will not only seek out that

service provider in the future, but will also be very willing to pay a premium price for that service.

In conclusion, it is natural that travellers would go to a country with a lower currency exchange rate. Based on current exchange rates, there would be a lot of financial savings for ASEAN travellers visiting Singapore compared to the USA or Europe, assuming that these countries possessed the same standard of medical services.

Hypothesis 2: The level of service quality in the healthcare organisations has direct positive correlation on the level of medical tourists' satisfaction.
H2a. There is a positive impact of professionalism on customer satisfaction.
H2b. Prompt service positively makes customers happy.
H2c. There is a positive impact of performance on customer expectations.

Hypothesis 2 (Service Quality) is supported by this research. In many service offerings, satisfaction levels are directly related to financial measurements; higher costs will translate into a better service. In high-end medical services, however, customer expectations and customer satisfaction might not follow this rule. The findings of the current research expand on the results of studies of previous researchers. For instance, Grewal, Das and Kishore (2012) found that medical tourists' satisfaction with services is an essential indicator of the quality of the healthcare they received. In their study, many of the factors of customer satisfaction were graded excellent and very good. These factors included services from courteous staff in reception, promptness to attend to queries, the admission procedures, waiting time, nursing staff, and promptness to attend to calls.

High-spending consumers would expect high quality services and the best facilities for the price they paid. The professionalism of front line workers such as nurses and administration officers, as well as the professionalism of the doctors and counsellors, increased the levels of satisfaction. Therefore, proper training needs to be given to all employees to ensure that service quality is achieved.Moreover, Eskildsen and Kristensen (2007) found that although service quality has a significant impact on customer satisfaction and customer loyalty across all industries, it is even more important for the healthcare industry.

This study explored the importance of service quality teams and their potential to influence customer satisfaction. The results here showed that service quality is positively related to customer satisfaction. Improving patient satisfaction and loyalty starts with perceived quality. Improving perceived quality concentrates mainly on improving hardware, and improving the staff's abilities, knowledge, and levels of service. These findings closely correspond with the results of Hu et al. (2010) and Yesilada and Direktor (2010).

Hypothesis 3: The state of medical facilities is positively correlated with the medical tourists' satisfaction.
H3a. The presence of advanced medical facilities is highly associated with high level of healthcare services.
H3b. There is a positive impact of advanced medical technology on service quality.

Another finding of this study is that Hypothesis 3 (Medical Facilities) is supported because patients expect better technology, better facilities, and quality services including the environment, all provided at a cost which meets their levels of satisfaction. These expectations are not surprising in the high-end service industry because the majority of the customers were in the higher spending group and would have high levels of expectation. Singapore has attracted various large medical technology companies to establish commercial operations, research and development centres, as well as manufacturing facilities (Singapore Medical Tourism 2011).

Hospitals and medical centres in Singapore have capitalised on the advanced technology infrastructure and the supporting industries that supply sophisticated equipment and facilities within Singapore (Ministry of Health Singapore 2013). This has elevated Singapore to the status of one of the most advanced medical hubs in South East Asia. In addition, high-end consumers want the best medical technologies they can afford. Therefore, the results of this study suggest that medical technology companies need to keep up to date and to conduct research in order to continuously improve their technologies.

Hypothesis 4: The environment in Singapore, as a moderating variable, which comprises government support, location, and culture, enhances the impact on the medical tourists' satisfaction.

H4a. Singapore's multi-culture creates a positive environment for medical tourists.

H4b. Singapore's geographical position benefits medical tourism.

H4c. Singapore government is an important factor in attracting medical tourists.

Hypothesis 4 (Environment in Singapore) is supported by this study, as patients were perhaps impressed with the environment created by the Singapore government, which has successfully projected a consistently good image to the public and to the world. A previous study by Lee (2006) stated that in most rapidly developing countries, medical services grow in response to demand and become an essential part of people's lives.

The Singapore government has invested heavily in education, including the expenditure of more than 3% of its GDP, and in successful promotional efforts that have led top global universities to set up schools in the region (Singapore Travel 2012). Moreover, according to Wood (2009), the Singapore government is aggressively promoting medical tourism by providing extended visa periods for medical tourists from six months to one year. Singapore's central location within South East Asia makes it attractive to medical tourists travelling from Vietnam, Thailand, and Indonesia as it reduces travelling time and costs in comparison with travelling to Europe or America for medical treatment. Geographical location has been identified as one of the critical factors that customers would take into consideration before they decide to travel overseas (Thompson, Kyrillidou & Cook 2008).

This study also confirmed that Singapore's environment has a positive effect on medical tourism; Singapore's multi-culture creates a positive environment for medical tourists; Singapore's geographical position facilitates medical tourism, and Singapore's government is an important factor in attracting medical tourists.

6. Implication of The Study

The findings of this research should assist in creating specific marketing and healthcare management strategies by focusing on those factors that influence customer satisfaction. More specifically, understanding the specific factors, and how much they influence customer satisfaction, will facilitate healthcare organisations to design and

deliver tailored services that correspond to the market demands of the medical tourists. The measuring instrument developed for this study will also be useful in helping the medical tourism industry to conduct further marketing research to improve their services and develop better customer satisfaction oriented strategy to attract more customers from outside Singapore.

7. Limitations of The Study

The researcher used a self-administered survey instrument which relied on the interpretations of respondents who may not have fully understood the questions or may not have given full consideration before answering the questions and thus, may not accurately reflect the true perception of respondents. However, this limitation is usually accepted because a self-administered survey is considered to be the most feasible way of collecting data, and represents the attitudes and behaviours of the respondents. Moreover, a small sample from the population may not represent all customers' perceptions. In this study, there were 330 respondents in the sample. The sample size was due to the customers' lack of willingness to respond and to the sensitivity of the information. However, a sample size of 330 should be valid because statistical analysis indicated that a minimum sample size of 30 was acceptable. Nevertheless, it is hoped that such limitations might suggest other guidelines and might encourage additional directions for future studies.

8. Recommendations for Future Research

Future studies of other destinations could use a similar research method so that a competitive analysis of those destinations could be carried out. If time permits, a longitudinal survey could be carried out with more respondents. Also, more refinement is needed in selecting the attributes as some respondents have suggested other factors that can affect a medical tourist's decision in choosing a destination during the qualitative interviews. Such a proposed model provides opportunities for researchers to investigate further the development and enhancement of the service quality model, as well as the approach to measuring customer satisfaction.

9. Conclusion

The findings of this study provide empirical evidence that decisions by medical tourists to travel to Singapore for medical treatment are influenced by the medical tourism industry's highly regarded customer satisfaction as well as high perceived service quality. Financial considerations and the Singapore government were not major factors affecting customers' decisions. However, medical service quality, advanced medical facilities, and doctors' skills do appear to be important factors for foreign patients making the decision to visit Singapore for medical treatment.

In an industry that is becoming increasingly competitive, service quality and customer satisfaction take on paramount importance as drivers of customer loyalty, positive word-of-mouth recommendations, reduction in complaints, improved customer retention ratings, and, ultimately, improved performance and profitability for Singapore healthcare providers (Yavas, Benkenstein & Stuhldrier, 2004).

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"Words can inspire. And words can destroy. Choose yours well."

– Robin Sharma

Genre Analysis: Analysis Of Moves In Academic Job Application Letters

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Abstract

Genre analysis brings together insights of earlier approaches to text analysis that began with the register analysis that considered the key grammatical features used for a particular communication, which later advanced to the analysis of rhetorical purposes and contexts that influence the way texts are structured (Dudley-Evans, 2000). The findings of genre analysis also suggested that the interest, expectations and conventions of specific discourse communities, be they academic, business or other professional communities, mould the texts they use (Dudley-Evans, 2000; Bhatia, 2002). This paper aims to provide an empirical study of the genre of academic job application letters (which is a form of promotional genre) used in the academic discourse community for job applications at educational institutions of higher learning. Given the lack of research conducted on this genre compared to the other promotional genres such as personal statements in graduate applications (Ding, 2007; Samraj and Monk, 2008; Sii, 2004) and other professional job application letters (Bathia 1993; Fagan, 2008; Wang, 2005), this study offers insights into the various types of academic job application letters identified and the schematic structural organisation which the genre is established upon. It is also suggested that the findings presented and discussed in this study serve as useful guidelines for further pedagogical developments that feature academic job application letter writing, and for future research.

Keywords: Job Application Letter, Genre, Genre Analysis, Discourse Community, Academic

1. Introduction

The academic career is a developmental process that comes in various stages (Baldwin & Blackburn, 1981; Blaxter et al, 1998). It begins with the commencement of jobs upon graduation (Barnes, 2007) and renews from time to time as and when academics assume new leadership roles and expand their teaching and research profiles. The competing nature of the education industry where colleges and universities are inclined to establish their reputations beyond quality and competence of both teaching and research in higher education (Bowden & Marton, 1998; Gaff, 2007), has caused application for academic jobs to be as equally, if not, increasingly challenging. Academic job applications can be solicited and unsolicited (Bhatia, 1993; Wang, 2005). Solicited applications are used to apply for advertised academic positions and unsolicited applications are written for unadvertised academic positions. Unsolicited applications can be two-fold - they are either initiated by the applicants or by hiring committees through networks and recruitment agencies. The *academic job application letter* (which is often attached with a Curriculum Vita) is an important tool academics use to summarise their credentials and qualifications in a maximum of two pages, to their potential employers in both solicited and unsolicited forms. However, despite the importance of the academic job application letter to the academic discourse community, there are not many studies conducted on this genre compared to the professional job application letters as seen in the works of Bhatia (1993, 2004), Swales (1990) and Wang (2005) to name a few.

This study uses move analysis to explore how an academic job application letter is structured to achieve its communicative purpose within the academic discourse community. To begin the study of academic job application genre, the author attempts to differentiate the *professional* job application and *academic* job application genres using Bhatia's (2004, 2006) levels of generalisation for genres. In this approach, the author offers to provide clarity to the definition of these two closely related promotional genres that share the same communication purpose which is to promote the applicant's credentials and qualifications to a hiring committee. In the latter part of this study, the author uses move analysis to study and develop the structural model, in terms of moves and steps, of the three types of academic application letters identified, based on sample academic job application letters obtained from public websites and a generous contributor who provided his application letter for this

study. In this case, Bhatia's (1993) seven-move structural model of a job application letter is used as a reference point.

2. Genre Definition

The definition of genres is not often clear-cut and straightforward. Generally, genres are defined based on the rhetorical or communication purpose of texts used among members of a discourse community in a specific context (Bhatia, 2002). According to Swales (1990), genres are forms of discourse that share the same "structure, style, content, and intended audience" (pp. 8-10). Genres are constantly developing although they are identified on the basis of conventionalised features within institutionalised academic or professional settings (Bhatia 2002). Genre analysis is thus focused on studying "the variation in language used by members of various disciplinary cultures" (Bhatia, 1997:313), which sheds light to how members of a particular discourse community (in academic or professional settings) manipulate generic conventions to achieve specific communication goals associated with their disciplines (Halliday and Hasan, 1985). In addition, how members of specific discourse communities acquire knowledge of a genre lies on four main aspects of genre acquisition – *knowledge of the code*, *genre knowledge* (procedural and social knowledge), *sensitivity to cognitive restructuring* (sensitivity to the socio-cognitive demands in specific professional contexts) and *genre ownership* (knowing how to interpret, use and exploit specialist genres) (Bhatia, 1997:314).

To provide clarity to the variations of genre definition, Bhatia (2004, 2006) introduces the levels of generalisation of genres in which he attempts to relate genre identification to the levels of *super-genres* (also known as genre colony), *genres* and *sub-genres*. Genre colony represents groupings of closely related genres serving general but similar communicative purposes (Bhatia, 2004:59) and the sub-genres act as the medium for these communicative purposes. This generalisation of genres led to the development of schematic structure of *moves* and *steps* for each genre, of which, based on Swales' (1990) CARS model, define the staged events within a genre that may vary between different instances of genres (Flowerdew and Wan, 2010).

2.1. Academic job application letter as a genre

Bhatia's (2004) level of generalisations of genres is used to identify the genre academic job application in this study. As shown in Figure 1, the academic job application genre is a form of promotional genre alongside professional job application and personal statements in graduation program application (Ding, 2007; Samraj and Monk, 2008) in that they share the same communication purpose, which is to inform and persuade. The academic job application genre comes with a specific set of structural organisation and textual features which are used and accepted by the academic discourse community it serves. Figure 1 also shows that the professional and academic job application genres share the job application letter sub-genre which is the focus of this study. Like the professional job application genre, the academic job application letter showcases a summary of the candidate's (writer) credentials and qualifications which aims to draw attention and to solicit the interest of the hiring committee to review their Curriculum Vitae (CV). Audience expectations in the academic setting on how an academic job application letter should be structured and composed, shape the organisation and texts used in writing the letter, which will be analysed using move analysis in the next section of this paper.

Figure 1: Levels of genre generalisation of job application genre (adapted from Bhatia, 2004:59; 2006:82)
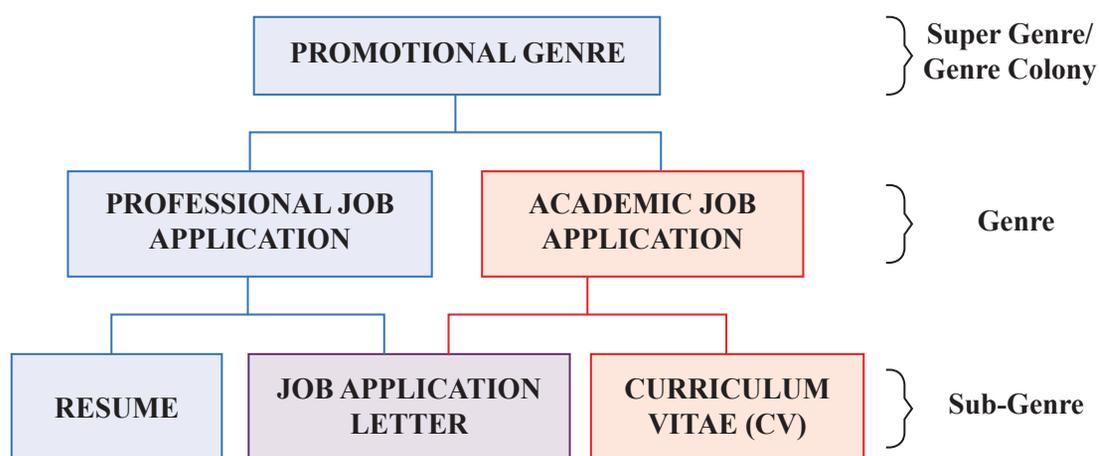
2.2. Development of moves and steps

The analysis of moves and steps in a genre was introduced by Swales (1990) when he developed the "Create a Research Space (CARS)" model (see Table 1) to identify the schematic structure of introductions in academic articles (Flowerdew and Wan, 2006). Ding (2007) defines move as a "functional unit in a text used for some identifiable purpose" and "it is often used to identify the textual regularities in certain genres of writing" (p. 369). While the CARS model had a tremendous influence on genre analysis in the English for Specific Purpose (ESP) field especially in the teaching of academic writing, many researchers have begun to find many interesting variations in the moves and steps pattern of the model when it is used in different disciplines where the order of moves and/or steps are either omitted or changed to suit the writers' particular rhetorical purpose (Dudley-Evans, 2000). An example of such variation is presented in Bhatia's (1993) seven-move structure of a job application letter shown in Table 2.

Table 1: The Create a Research Space (CARS) model (Swales, 1990)

Move/Step Structures	Description
Move 1	**Establishing a territory**
Step 1	Claiming Centrality and/or
Step 2	Making Topic Generalisations and/or
Step 3	Reviewing Items of Previous Research
Move 2	**Establishing a niche**
Step 1A	Counter-claiming or
Step 1B	Indicating a gap or
Step 1C	Question-raising or
Step 1D	Continuing a tradition
Move 3	**Occupying a niche**
Step 1A	Outlining purposes or
Step 1B	Announcing present research
Step 2	Announcing principle findings
Step 3	Indicating Research Article structure

Table 2: Bhatia's seven-move structural model of a job application letter
(Bhatia, 1993:59)

Move/Step Structures	Description
Move 1	**Establishing credentials**
Move 2	**Introducing the candidature**
Step 1	Offering the candidature
Step 2	Essential detailing of candidature
Step 3	Indicating value of the candidature
Move 3	**Offering incentives**
Move 4	**Enclosing documents**
Move 5	**Soliciting response**
Move 6	**Using pressure tactics**
Move 7	**Ending Politely**

Bhatia's (1993) seven-move structural model for interpreting job application letters was a useful point of reference, though it is not totally applicable for academic job application letters which is the focus of this study. The analysis of sample academic job application letters obtained in this study shows that academic job application letters do not employ Move 3 (Offering incentives) and Move 6 (Using pressure tactics) as stated in Bhatia's (1993) job application letter model. Some possible reasons for the omission of these moves in the academic job application letter are firstly, the omission of Move 3 (Offering incentives) could possibly show that the academic discourse community emphasises greater value on the applicants' educational background, research profiles and teaching experiences which are largely conveyed in Move 2 (Introducing the candidature). Moreover, this move is not obligatory as it is used by applicants who try to make their offer more attractive by supplementing additional information that projects desirable aptitudes of the applicant, for example, their *ability to work beyond normal working hours*. Secondly, the use of Move 6 (Using pressure tactics) is not highly common in academic job applications. The academic profession is a niche profession in which academics with niche skills and qualifications are highly sought after in the academic discourse community (e.g. engineering and science faculties). Hence, the use of pressure tactics is not necessary in the case of academic job applications. Like Move 3 (Offering incentives), the move to use pressure tactics is also not obligatory.

In sum, the academic job application letter does not utilise all seven moves introduced in Bhatia's (1993) seven-move structural model for job application letters. Instead, a five-move structure is sufficient to convey obligatory and important information about the applicants to the hiring committee in the academic discourse community. The five moves identified for the academic job application letter in this study are 1) Introducing candidature, 2) Essential detailing of candidature, 3) Referring to enclosed documents, 4) Soliciting response and 5) Ending politely.

To conduct the move analysis of academic job application letters, two sample letters were obtained from public websites (Appendices 1 and 2) and one (Appendix 3) was obtained privately from a generous contributor. The analysis of these academic job application letters has also revealed other variations in the schematic structural organisation of the genre which shows the different ways members of the academic discourse community construct, interpret and use specific texts in their academic job application letters to achieve their respective communication goals. A complete analysis of the textual data in the academic job application letters shows that the academic job application letter can be *teaching-, research-* or *professional-oriented*. Typically, an academic-oriented job application letter highlights the applicant's extensive teaching and/or research experience, achievements and career progression plans and hence, they are distinctively *research-oriented* and/or *teaching-oriented*. On the other hand, an academic job application letter that is *professional-oriented* is submitted by applicants who have extensive professional experience from the industries but limited academic (teaching and/or research) experience. The author also finds that the professional-oriented academic job application letter is not often found in public record and thus, due to the difficulty in obtaining a sample of this letter from public websites, the author has decided to request for a sample from a friend who has generously contributed his letter for this study. All personal information in this letter has been removed to maintain the anonymity of the writer.

The five-move structural model derived in this study for academic job application letters, offers clarity and comprehensiveness on the differences in the schematic structural organisation of the teaching-, research- and professional-oriented academic application letter identified in this study (see Tables 3 and 4). Depending on the orientation of the academic job application letter (whether it is *teaching-, research-* or *professional-oriented*), each move and the corresponding steps of the academic job

application letter aims to communicate specific information about the candidate which are strategically sequenced to create a positive impact on the hiring committee who is reading them.

Table 3: Academic job application letter (Teaching- and/or Research-oriented)

Move/Step Structures	Description
Move 1	**Introducing candidature**
Step 1	Identify source of job information or vacancy
Step 2	Expressing interest in specific positions
Step 3	Establish credentials
Move 2	**Essential detailing of candidature**
Step 1	Elaborating values of candidature (academic experience that are teaching- and/or research-oriented)
Step 2	Expressing teaching / research interests and future plans
Move 3	**Referring to enclosed documents**
Move 4	**Soliciting response**
Step 1	Offer to discuss further on prospects
Step 2	Offer to provide more information
Move 5	**Ending politely**

Table 4: Academic job application letter (Professional-oriented)

Move/Step Structures	Description
Move 1	**Introducing candidature**
Step 1	Identify source of job information or vacancy
Step 2	Expressing interest in specific positions
Step 3	Establish credentials
Move 2	**Essential detailing of candidature**
Step 1	Elaborating values of candidature (professional experience with no / limited academic experience)
Step 2	Expressing teaching interests and future plans
Move 3	**Referring to enclosed documents**
Move 4	**Soliciting response**

Move/Step Structures	Description
Step 1	Offer to discuss further on prospects
Step 2	Offer to provide more information
Move 5	**Ending politely**

2.2.1. Move 1: Introducing candidature

This move is compulsory in academic job application letter writing (Barnes, 2007; Baxter et al, 1998; Formo and Reed, 1999; Kronenfield and Whicker, 1997) as it conveys the basic information required in job applications such as the position applied to (in **Step 1**) and the source advertisement in which the job vacancy was found (in **Step 2**). This move is predominantly found at the first paragraph of the job application letter. In **Step 2** also, word choices such as "Lecturer", "Senior Lecturer", "Assistant Lecturer", "Tutor", "Associate / Assistant Professor", "Professor", etc. are used to express interest in the types of academic positions applied. **Steps 1** and **2** are often merged in the formation of the first paragraph with either **Step 1** or **Step 2** appearing first before the other. The following texts from the sample academic job application letters show the opening section of the letter as described in Steps 1 and 2:

Appendix 1	*"I am writing to apply for the <u>position of Associate Professor</u>* **[Step 2]** *in Structural Engineering beginning Fall 2004, as advertised on your department website* **[Step 1]***"*
Appendix 2	*"I am writing to apply for the <u>position as Assistant Professor of</u> English with an emphasis in rhetoric and composition* **[Step 2]***, that you advertised in October MLA Job Information List* **[Step 1]**"
Appendix 3	*"I am writing in response to your advertisement on <u>www.jabc.edu. my</u>* **[Step 1]** *for the <u>position of a teaching and learning director</u> in the academic industry …"* **[Step 2]**

In **Step 3** of Move 1, applicants begin *establishing* their *credentials* through brief statements of their education background and their doctoral dissertation and/or summary of previous and current academic work experiences. The work experiences

may also include professional experiences by applicants who have worked in the industry before they joined the academic workforce. The following examples show how **Step 3** is composed:

Appendix 1	*"I am currently a doctoral candidate at the University of Illinois at Urbana-Champaign, and fully expect to complete my PhD degree requirements by May 2004. In my research, I developed an integrated design and analysis environment for this methodology in which both strength and serviceability requirements are explicitly satisfied. This was delivered in a computer-based program that is freely available to the community and has been downloaded by more than 2,500 people"*
Appendix 2	*"I am a graduate student at Prestigious University working on a dissertation under the direction of Professor Prominent Figure. Currently revising the third of five chapters, I expect to complete all work for the Ph.D by May 1999 ... My work in the composition classroom has provided me with the inspiration as well as a kind of laboratory for my dissertation research. My project, "The I Has It: Applications of Recent Models of Subjectivity in Composition Theory", examines the shift since the 1960s from expressive models of writing toward now-dominant postmodern conceptions of decentered subjectivity and self-construction through writing. I argue that these more recent theoretical models, while promising, cannot have the liberating effects that are claimed for them without a concomitant reconception of writing pedagogy and the dynamics of the writing classroom"*
Appendix 3	*"I am currently a researcher at JKL University. I submitted my doctoral dissertation on "xxxx" for examination in October 200x".*

2.2.2. Move 2: Establishing detailing of candidature

Move 2 (*Essential Detailing of Candidature*) in an academic job application letter forms the essence of the entire job application which is important to convince the hiring committee to consider the application for interviews (Bhatia, 1993). **Move 2** consists of two steps – **Step 1** (*Elaborating Values of Candidature*) and **Step 2**: (*Expression of Teaching and/or Research Interests and Future Plans*), which usually makes up two or three paragraphs of the letter. **Step 1** draws on the applicant's teaching and/or research

experience, teaching and/or research interests, academic services/administrative experiences and brief descriptions of their research publications. **Step 2** then details the applicant's interests and plans in pursuing their academic objectives with the institution. The expression of interests in **Step 2** utilises two types of strategies that Bhatia (1993) introduced in his study of the job application genre, namely, '*self-glorification*' and '*adversary-glorification*'. Self-glorification is the applicant's demonstration of strong desires or personal ambitions to pursue the job, and adversary-glorification is used to magnificently appreciate or glorify the status of the organisation/institution, indicating the applicant's eagerness to work with it.

The distinct difference between the teaching- research- and professional-oriented academic job application letters is also prominently displayed in this move (see highlighted rows in Tables 2 and 3 above) where academic or professional experience and qualification portfolios are emphasised based on their career plans and goals in applying for the job. Hence, a *research-oriented* academic job application letter (see Appendix 1) highlights the applicant's research strength, interest and projects worked on before their teaching experience, with the objective of expanding their research knowledge and collaboration with experts from the institution they applied to as shown in the texts below:

Detailing of Research Experiences	*"… prepare me to be an effective researcher and instructor in your department … My doctoral dissertation was conducted under the direction of Prof. Mark Daniels* **[citing a renowned researcher the applicant has worked with]** *and looks at a relatively new technology for the design of joints, walls, footings, and other portions of reinforced or prestressed concrete structures. In my research, I developed an integrated design and analysis environment for this methodology in which both strength and serviceability requirements are explicitly satisfied. This was delivered in a computer-based program that is freely available to the community and has been downloaded by more than 2500 people* **[explicitly discuss about the research project and how it contributes to the community at large].**

On the other hand, a *teaching-oriented* academic job application letter (see Appendix 2) focuses on the applicant's teaching experience, interest and philosophies and these information are often presented before the detailing of research experience and interests, which shows the applicant's preference towards a teaching position:

Detailing of Teaching Experiences	*"As my curriculum vitae shows, I have had excellent opportunities to teach a variety of courses during my graduate studies, including developmental writing, first-year writing for both native speakers and second language students, advanced writing, and business writing. I have also worked as a teaching mentor for new graduate student, a position that involved instruction of methods of composition teaching, development of course materials and evaluation of new graduate instructors ... Among the most satisfying experiences for me as a teaching mentor has been instructing students on an individual basis as a tutor ..."*
Detailing of Teaching Interests and Motivation	*"... as a classroom instructor, I find that I always look forward to the individual conferences that I hold with my students several times during the semester because I believe this kind of one-on-one interaction to be essential to their development as writers ...My interest in computer classroom has grown out of recent experience teaching composition in that environment. In this course, my students have used computers for writing ... I have encouraged my students to think and write critically about their experiences with technology ... In all my writing courses I encourage my students to become critical readers, thinkers and writers; my goal is always not only to promote their intellectual engagement with cultural texts ..."*

The content of *professional-oriented* academic job application letter (see Appendix 3) are more focused towards the applicant's professional working experience in the corporate sector with plans to pursue an academic career. In addition, applicants are more inclined to highlight their recently attained doctoral degree (PhD) which is highly regarded by the hiring committee in institutions of higher learning. These sample texts show how this information is written in a professional-oriented academic job application letter:

Detailing of Professional Experiences	*"I am currently a researcher at JKL University. I submitted my doctoral dissertation on "xxxxxx" for examination in October 200x. Prior to taking a pause in my career to make sense of practice, I was the founder of ABC, a human resource service provider. As a leader, I provided human resource consulting services to my clients in the Asia Pacific region and conducted management workshops for corporate clients in Beijing, Bangkok, Japan, China, Kuala Lumpur and Singapore. As a corporate person, I was a vice president of human resource for XYZ, a deputy director of human resource for DEF, and the regional director of human resource for EFG".*
Detailing of Teaching Interests and Motivation	*"I welcome the opportunity of pursuing the next phase of my career teaching and learning".*

2.2.3. Move 3: Referring to enclosed documents

In this move, applicants direct the hiring committee's attention to additional information that will be too extensive to be included in the academic job application letter. Enclosed documents in this case refer to CVs, profile statements, testimonials, teaching evaluations that indicate good teaching performances, dossiers, research publication synopses, certificates, etc. that will position the applications strategically for the job. This move generally explains that the academic job application letter is not meant to be descriptive and exhaustive with details, but instead, they are enclosed with supporting documents in the application package (Barnes, 2007; Bhatia, 1993; Boden et al, 2005; Kronenfield and Whicker, 1997). Hence, after presenting their qualifications and experiences, the applicants invite the hiring committee to refer to enclosed documents as shown in the following texts of Appendices 1, 2 and 3:

Appendix 1	*"In the meantime, I am enclosing my CV and statement of teaching and research interests...."*
Appendix 2	*"I have included my CV and would be happy to send you additional materials such as dossier of letters of reference, writing samples, teaching evaluations and past and propose course syllabi"*
Appendix 3	*"... am submitting my **applications** [which refers to the application package consisting of the job application letter, CV and profile statement] for your considerations"*

2.2.4. Move 4: Soliciting response

In this move, applicants request for opportunities to discuss further employment prospects and also offer to provide further information that the hiring committee may need to consider their applications. Examples of how this move is presented in the letter are "*I would enjoy discussing this position with you in the weeks to come*", "*I will be available to meet you for an interview*" or "*If you required any additional materials or information, I will be happy to supply it*". These active drive statements (Leslie, 1983:283 cited in Bhatia, 1993:67) are also forms of requesting for interviews with the employers.

2.2.5. Move 5: Ending politely

The academic job application letters are ended politely with proper closing statements like "*Thank you very much for your consideration*" or "*I thank you for your consideration and look forward to hearing from you*"

3. Discussion and Conclusion

This study introduces the academic job application genre as a new form of promotional genre which extends from the works of Bhatia (1993) and Swales (1990).

In this study, sample academic job application letters that are identified as teaching-, research- and professional-oriented were analysed and a genre-based framework is developed to examine the generic and textual features that are used in the realisation of these types of academic job application letters (Bhatia, 2004, 2006). The genre-based framework, which is modelled after Bhatia's (1993) seven-move structural model for a job application letter, consists of five moves - 1) Introducing candidature, 2) Essential detailing of candidature, 3) Referring to enclosed documents, 4) Soliciting response and 5) Ending politely. Textual analysis of the three sample letters reveals that the difference in the three types of academic job application letters is found in Move 2 (Essential detailing of candidature), where applicants strive to impress the hiring committee by detailing their credentials and qualifications that are either teaching-, research- and/or professional-oriented. In detailing their candidature as well, applicants employ the self-glorification and adversary-glorification strategies to convince the hiring committee that they are the most suitable candidates for the job applied. The difficulty faced by the author in obtaining, from public record, a sample academic job application letter that is professional-oriented, clearly indicates that this type of letter is understudied, and hence, awareness of its existence needs to be cultivated.

As Hyland (2003) pointed out, genre knowledge of any field is important to writers to "gain access to ways of communicating … in particular profession, academic and occupational communities" (p.24). Hence, for an academic job application to be successful, it is important that applicants remain cognizant of the audience's (hiring committee) expectations and the job requirements in the academic settings (Bhatia 2008). This study thus contributes to the existing understanding of promotional genres by expanding the application of move analysis for job application letters to academic job application letters specifically. Although both genres share the same function, that is to promote the candidate by highlighting the applicants' credentials and qualifications for the job, they serve different discourse communities and therefore, are constructed in different move structures. Apart from contributing to the knowledge of genre, this study serves as a useful guideline for further pedagogical developments (such as writing courses) that feature academic job application letter writing for native and non-native speakers. The move structures of the academic job application letter introduced in this study can be taught in writing classrooms to enhance students' understanding of the disciplinary contexts, audience expectations and communicative purpose (Ding, 2007) of the academic job application genre. Textual analysis presented for each move of the

academic job application genre also can be used to teach students the types of texts that are explicitly used in the academic job application letter. Creating an awareness of the academic job application genre therefore helps less experienced applicants, specifically those wish to start an academic career, to meet the expectations of the academic community and thus, empower their applications (Ding, 2007) which could greatly enhance their chance of getting an academic job. In addition to pedagogical implications, this study hopefully will encourage further research on the academic job application letter genre using private academic job application letters found on websites and written by academic staff, in particular from institutions of higher learning. Further research could also include cultural influence (cultural values, belief system and language variability) on academic job application letters writing.

To conclude, this study does not only seek to introduce the genre of academic job application letter but also to increase awareness of the existence of this genre that is understudied, through pedagogical and expansive research initiatives.

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APPENDICES

Appendix 1: Sample Academic Job Application Letter (research-oriented)

I am writing to apply for the position of Assistant Professor in Structural Engineering beginning Fall 2004, as advertised on your department website. I am currently a doctoral candidate at the University of Illinois at Urbana-Champaign, and fully expect to complete my PhD degree requirements by May 2004. I am extremely interested in obtaining a faculty position at the University of Texas, as its engineering research programs have a stellar reputation that is known worldwide.

I believe that my academic training and six years of experience working as a structural engineer prepare me to be an effective research and instructor in your department. My doctoral dissertation was conducted under the direction of Prof. Mark Daniels, and looks at the use of a relatively new methodology for the design of joints, walls, footings, and other portions of reinforced or prestressed concrete structures. In my research, I developed an integrated design and analysis environment for this methodology in which both strength and serviceability requirements are explicitly satisfied. This was delivered in a computer-based program that is freely available to the community and has been downloaded by more than 2,500 people.

Although my dissertation focuses on a single topic, other areas that interest me for my future research stem from my goal of developing improved analytical models and methods for design, evaluation, and upgrade of concrete structures subjected to monotonic and reversed loading and structures equipped with passive systems. One of the studies that I have started is the development of a performance-based seismic design method for ductile reinforced concrete wall structures based on yield displacement. I have also worked on evaluation and improvement of accuracy of nonlinear static analysis for seismic design under the auspices of a project from the Applied Technology Committee, a national organisation.

During my graduate training, I have been fortunate enough to also serve as a teaching assistant and occasionally instruct for an intermediate level course on reinforced concrete design. My five years of professional experience as an engineer have provided me with a broad view that is useful in assisting students with projects and assignments. Through my participation as a teaching assistant, I have developed confidence and an interest in teaching and look forward to the opportunity to both teach assigned classes and to develop my own classes.

I would enjoy discussing this position with you in the weeks to come. In the mean time, I am enclosing my Curriculum Vitae and statement of teaching and research interests. Letters of recommendation will arrive under a separate cover. If you require any additional materials or information, I am happy to supply it. Thank you very much for your consideration.

Source: *Sample Cover Letters for Academic Job Applications*, Graduate College Career Services Office, University of Illinois at Urbana-Champaign, viewed 21 July 2009, http://www.grad.uiuc.edu/CareerServices/academic/coverletters/AcCoverLetters.pdf

Appendix 2: Sample Academic Job Application Letter (teaching-oriented)

I am writing to apply for the position as assistant professor of English with an emphasis in rhetoric and composition that you advertised in the October MLA Job Information List. I am a graduate student at Prestigious University working on a dissertation under the direction of Professor Prominent Figure. Currently revising the third of five chapters, I expect to complete all work for the Ph.D. by May of 1999. I believe that my teaching and tutoring experience combined with my course work and research background in rhetoric and composition theory make me a strong candidate for the position outlined in your notice.

As my curriculum vitae shows, I have had excellent opportunities to teach a variety of writing courses during my graduate studies, including developmental writing, first-year writing for both native speakers and second language students, advanced writing, and business writing. I have also worked as a teaching mentor for new graduate students, a position that involved instruction in methods of composition teaching, development of course materials, and evaluation of new graduate instructors. Among the most satisfying experiences for me as a teacher has been instructing students on an individual basis as a tutor in our university Writing Lab. Even as a classroom instructor, I find that I always look forward to the individual conferences that I hold with my students several times during the semester because I believe this kind of one-on-one interaction to be essential to their development as writers.

My work in the composition classroom has provided me with the inspiration as well as a kind of laboratory for my dissertation research. My project, The I Has It:

Applications of Recent Models of Subjectivity in Composition Theory, examines the shift since the 1960s from expressive models of writing toward now-dominant postmodern conceptions of decentered subjectivity and self-construction through writing. I argue that these more recent theoretical models, while promising, cannot have the liberating effects that are claimed for them without a concomitant reconception of writing pedagogy and the dynamics of the writing classroom. I relate critical readings of theoretical texts to my own pedagogical experiments as a writing teacher, using narratives of classroom successes and failures as the bases for critical reflection on postmodern composition theory. After developing my dissertation into a book manuscript, I plan to continue my work in current composition theory through a critical examination of the rhetoric of technological advancement in the computer-mediated writing classroom.

My interest in the computer classroom has grown out of recent experience teaching composition in that environment. In these courses my students have used computers for writing and turning in notes and essays, communicating with one another and with me, conducting library catalogue research and web research, and creating websites. I have encouraged my students to think and write critically about their experiences with technology, both in my class and elsewhere, even as we have used technology to facilitate our work in the course. Syllabi and other materials for my writing courses can be viewed at my website: http://machine.prestigious.edu/~name. In all of my writing courses I encourage students to become critical readers, thinkers, and writers; my goal is always not only to promote their intellectual engagement with cultural texts of all kinds but also to help them become more discerning readers of and forceful writers about the world around them.

I have included my curriculum vitae and would be happy to send you additional materials such as a dossier of letters of reference, writing samples, teaching evaluations, and past and proposed course syllabi. I will be available to meet with you for an interview at either the MLA or the CCCC convention, or elsewhere at your convenience. I can be reached at my home phone number before December 19; between then and the start of the MLA convention, you can reach me at (123) 456-7890. I thank you for your consideration and look forward to hearing from you.

Source: *Academic Cover Letter Sample*, The Writing Lab & The OWL at Purdue and Purdue University, viewed 21 July 2009, http://owl.english.purdue.edu/owl/resource/639/02/

Appendix 3: Sample Academic Job Application Letter (professional-oriented)

I am writing in response to your advertisement on www.Jabc.edu.my for the position of a teaching and learning director in the academic industry, and am submitting my application for your consideration.

I am a currently a researcher at JKL University. I submitted my doctoral dissertation on "xxxx" for examination in October 200x.

Prior to taking a pause in my career to make sense of practice, I was the founder of ABC, a human resource service provider. As a leader, I provided human resource consulting services to my clients in the Asia Pacific region and conducted management workshops for corporate clients in Beijing, Bangkok, Japan, China, Kuala Lumpur and Singapore.

As a corporate person, I was a regional vice president of human resource for XYZ, a deputy director of corporate human resource for DEF, and the regional director of compensation and human resource information system for EFG.

I welcome the opportunity of pursuing the next phase of my career teaching and learning focussing on internship programs and graduate development in the Asia Pacific region. I have acquired more than 10 years of working knowledge from diverse cultures in human resource management practices both at operational and leadership levels. With my knowledge and experience, in particular with XYZ, I am able to align, drive and harmonize your client's learning and development strategy with your client's organisation.

I do look forward, if given an opportunity to discuss my application more fully with you. Thank you, and regards.

"Customers don't expect you to be perfect. They do expect you to fix things when they go wrong."

– Donald Porter

Moderating Impact of Recovery-Zone-of-Tolerance on Perceived Service Recovery-Tolerance Adequacy Gap-Perceived Recovery Impact Link

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Abstract

Recovery-zone-of-tolerance (RZOT) has been conceptualised as a buffer range to accept service recovery following a perceived service failure and is considered to be critical in intervening towards the antecedent impact of perceived service recovery on modulating tolerance adequacy gap (TAG) and subsequent recovery impact. This study focuses on this to determine the moderating impact of recovery-zone-of-tolerance on perceived service recovery-tolerance adequacy-perceived service recovery link. The study was conducted in the context of the hospitality and tourism sector service. The results were indicative of the research apprehension and affirmed the robustness of the default model.

Keywords: Recovery-Zone-of-Tolerance, Tolerance-Adequacy-Gap, Hospitality and Tourism Industry Service, Service Recovery

1. Introduction

The inherent properties of services embed the seed of service failures which prompt the service firms to initiate service recovery with an objective to arrest possible customer dissatisfaction and migration (Smith and Bolton, 1998; Tax and Brown, 1998). These failures are detrimental to a firm's sustainability as it may trigger customer defection (Folkes, 1984; Folkes and Kotsos, 1986, Maxham III, 2001) increase cost with respect to the acquisition of new customers (Hart et al., 1990) and reduce profitability (Kelley and Davis, 1994; Smith et al, 1999). These perils compel service providers to initiate service recovery, defined as an attempt to rectify failure in service delivery on technical or other relevant grounds and reassure the smooth flow of services to service recipients. Researchers have found empirical evidence that effective service recovery may generate higher levels of satisfaction (McCollough and Bharadwaj, 1992) popularly phrased as 'recovery-paradox' (McCollough et al., 2000; Smith et al., 1999; Tax et al., 1998) and have also identified customer satisfaction to be a significant determinant to customer retention (CR) (Oliver, 1980; Fornell, 1992; Anderson and Sullivan, 1993, Terblanche, 2006, Hsu, 2008). On the other hand, the concept of double deviation effect emphasised a linear progression of accumulated grievances against a service provider in the purchase phase through service failure-recovery period and often resulted in customer migration. Therefore service recovery has emerged as the most critical phase in a service transaction following a perceived service failure. Any effort behind service recovery has to be considered as the determining factor towards cognitive assurance of favourable outcomes following service failure, but, to date, no scalable parameter has been introduced to assess the tolerance adequacy gap of individual customers, which, in turn, seems to affect the disconfirmation paradigm leading to favourable post-failure behaviour. The perception of service-recovery effort and its acceptability may vary from customer to customer with varying degrees of tolerance. This notion stimulated researchers to conceptualize recovery-zone-of-tolerance (RZOT) (Baksi and Parida, 2013) which is apprehended to be the missing moderator between PSR and post-purchase-behaviour. The RZOT range is also expected to surface tolerance adequacy gap dependency on individual perception of service recovery performance.

The hospitality industry has a high degree of close service encounters between employee and customers making it susceptible to frequent service failures. Observations by McCann (2004) emphasized that the hospitality industry is characterized by a high

degree of competition and comparatively more prone to service failure compared to other industries. The types of service failures which are quite common to the hospitality industry are commitment failures, access-to-service failures, customisation-request failures etc. The dyadic interaction between a customer and a hospitality service provider associated with service recovery efforts, therefore, assumes significant proportions.

The objectives of this study were (a) to identify the deterministic role of perceived service recovery (PSR) in identifying the tolerance adequacy gap (TAG), (b) to examine the variability of perceived service recovery performance (PSRP) across recovery-zone-of-tolerance (RZOT), (c) to assess the variation of service recovery impact (SRI) across TAG and (d) to test the robustness of the proposed research model.

2. Literature review

Service failures and its subsequent recovery processes have been conceptualised as being combined transactions of utilitarian and symbolic dimensions (Yi and Lee, 2005). Acknowledging that service failures are inevitable, it is also crucial to note that a considerable part of it can be controlled, particularly those arising out of the gap between commitment and delivery (Hoffman and Kelly, 2000). Service recovery may not always adequately make up for service failures, but it can lessen its harmful impact when problems are properly handled (Colgate and Norris, 2001). Service firms hold customer satisfaction as their primal goal and channel their entire effort to ensure failure-proof service transactions. Yet, they often fail to match the expectation and perception variability of the customers, resulting in customer dissatisfaction. As such, this is a high risk proposition for the service firms as customer satisfaction has been linked to critical and strategic decision-making activities and post-purchase behavioural manifestations such as change in attitude, advocacy, re-patronisation and loyalty (Oliver, 1980). Given the relatively high frequency of service failures associated with service firms operating in the banking industry, service recovery has been recognised as the only strategic option to ensure customer retention (e.g., Tax and Brown, 2000). Perceived service recovery is defined as the customer's belief about the degree of reparation and initiative that is appropriate and justified to address perceived service failure (Zeithaml, Berry and Parasuraman, 1993, cited by Hess et al, 2003) and has been identified as a significant factor to retain customers in spite of a perceived service

failure (Zeithaml, Bitner and Gremler, 2006). Researchers, over the years, have made empirical investigations and have come out with recovery strategies. Zeithaml, Bitner and Gremler (2006) proposed eight possible service recovery initiatives namely fair-treatment of customers, acceptable explanation for service failure, prompt action taken, tracking of complaints, the design of failure-proof services, knowledge from customers' experience, learning from recovery experience and nurturing of relationships with customers. Other researchers identified apology and compensation as two key factors in service recovery (De Ruyter & Wetzels, 2000; Yim et al, 2003; Wirtz & Mattila, 2004; Mattila & Cranage, 2005 and Hocutt et al, 2006). Errors in service delivery have been considered almost inevitable by the researchers who have also admitted that zero-error service is an unachievable utopia (Hess et al 2003). Grönroos (2006) observed that errors made in service delivery would result in both emotional and factual loss, making psychological and tangible service recovery a critical requirement for service firms (Schweikhart, Strasser and Kennedy, 1993; Kenney, 1995; Miller, Craighead and Karwan, 2000). Customers experiencing service failures revert to complaint processes . Literature on aspects of customer complaint management reveal that customers expect 'fair' resolutions to service failures (e.g., Blodgett et al., 1997). Other researchers are of the opinion that customers evaluate perception of fairness in service recovery through three factors: outcomes, procedural fairness, and interactional treatment (Goodwin and Ross, 1992; Tax et al., 1998; Smith et al., 1999). Morgan and Hunt (1994) were of the opinion that effective complaint handling determines successful and sustainable customer relationships. For the service providers, complaints offer an opportunity to redeem the relationship by initiating rectifications in service delivery mechanisms, while for the customers encountering a service failure, complaint behaviour signals the process of reestablishment of the relationship by providing an opportunity to the service provider to refabricate their service offers (DeWitt, Nguyen and Marshall, 2008). Grönroos (1988) conceptualized service recovery as the action taken by a service provider in response to a service failure as perceived by the customers. Prior studies recognised service recovery as a dynamic process of initiation of marketing activities to regain customer trust following a perceived failure in service to meet customer expectation or zone-of-tolerance. Studies have identified perceived service recovery as an antecedent to customer retention (Blodgett *et al.*, 1997; Hess *et al.*, 2003; Smith *et al.*, 1999; Smith and Bolton, 1998; Spreng *et al.*, 1995 and Tax *et al.*, 1998). Further to this, empirical studies have linked the satisfied output of a service recovery initiative to customer trust and loyalty (Boshoff, 2005; Olsen and Johnson, 2003; de Ruyter and Wetzels, 2000). Researchers have also linked successful service recovery

to customer satisfaction on the grounds of customers' perception of a firm's fair effort in ensuring recovery (McCollough and Berry, 1996; Singh and Wilkes, 1996). In a study conducted by Maxham (2001), it was found that effective service recoveries can augment customers' perceptions of satisfaction, their intent to repatronize and also be regarded as a means of encouraging customer advocacy.

Baksi and Parida (2013a) introduced the concept of recovery-zone-of-tolerance (henceforth known as RZOT) which was grounded on the platform of the disconfirmation theory (Oliver, 1997). RZOT has been conceptualized as a potential inhibitor/augmentor to disconfirmation (Baksi and Parida, 2013). In one of their studies, Baksi and Parida (2013a) observed that RZOT has an antecedent effect on customer retention with mediating effects of relationship inertia and switching cost. RZOT, in combination with multifactor CRM-index, was also estimated to be a significant determinant of customer satisfaction, repurchase intention and advocacy following service recovery (Baksi and Parida, 2013b). Perceived service recovery was found to induce variable effects across the bandwidth of RZOT, on customer trust, re-patronization and advocacy (Baksi and Parida, 2013c). The tolerance-adequacy-gap (TAG) on the other hand, represents the range between what is minimally acceptable to the customer and what they perceive the service recovery level to actually be within the RZOT. It measures the degree to which the perceived service recovery levels exceed the customers' minimum expectations. A positive number indicates that the perceived service recovery level exceeds the customers' minimum expectations. A small positive tolerance-adequacy gap signals close monitoring of the recovery process. A negative tolerance-adequacy-gap indicates that the minimum level of service recovery that the customers expect is not being met.

As perceived service recovery performance has been attributed to secondary satisfaction, which can assume enhanced proportion compared to pre-purchase stage (according to recovery paradox theory), the disconfirmation paradigm theory evolved as an evaluative measure of service recovery on the basis of expected and experienced service performance (McCollough et al, 2000; Ruyter and Wetzels, 2000). Service recovery impact has been conceptualised on the basis of the justice dimensions to explain the recovery effort: (a) distributive justice (the perceived fairness of tangible outcomes), (b) procedural justice (perceived fairness of the procedures delivering the outcomes) and (c) interactional justice (perceived fairness of interpersonal interaction) (Blodgett et al, 1993; Smith et al, 1999; Tax et al, 1998, Schoefer, 2008).

2.1 Research gap identified

Studies have so far not been initiated to understand the moderating effect of RZOT on the perceived service recovery-tolerance adequacy-recovery impact relationship. Further to this, the role of perceived service recovery performance towards determining tolerance adequacy gap in the context of the hospitality and tourism industry has not been further delved into.

2.2 Formulation of hypotheses and research model framework

With reference to the literature reviewed and research gaps identified thereof, the researchers hypothesized that:

H_1: Perceived service recovery performance (PSRP) changes across recovery-zone-of-tolerance (RZOT) under the influence of tourist-relationship index (TRI).

The researchers desired to examine whether PSRP is deterministic of the tolerance-adequacy-gap (TAG), both positive and negative in RZOT. The TAG represents the range between what is minimally acceptable to the customer and what they perceive the service recovery level to actually be. It measures the degree to which the perceived service recovery levels exceed the customers' minimum expectations. A positive number indicates that the perceived service recovery level exceeds the customers' minimum expectations. A positive TAG indicates monitoring the recovery process while a negative TAG indicates that the minimum level of service recovery that the end users' expectation is not being met. Therefore it was hypothesized that:

H_2: PSRP is deterministic of TAG (both positive and negative) within the recovery-zone-of-tolerance (RZOT) bandwidth.

The researchers expected that service recovery impact (SRI) can be influenced by TAG. Therefore:

H_3: Perception of SRI is dependent on TAG.

The researchers further expected RZOT to play a mediating role between PSRP & TAG, between TAG & SRI and between PSRP & SRI.

H_4: RZOT mediates PSRP-TAG-SRI link.

2.3 Research model

Appropriate to the literature reviewed and hypotheses formulated thereof, the researchers proposed the following model:

Figure 1: Proposed research (default) model
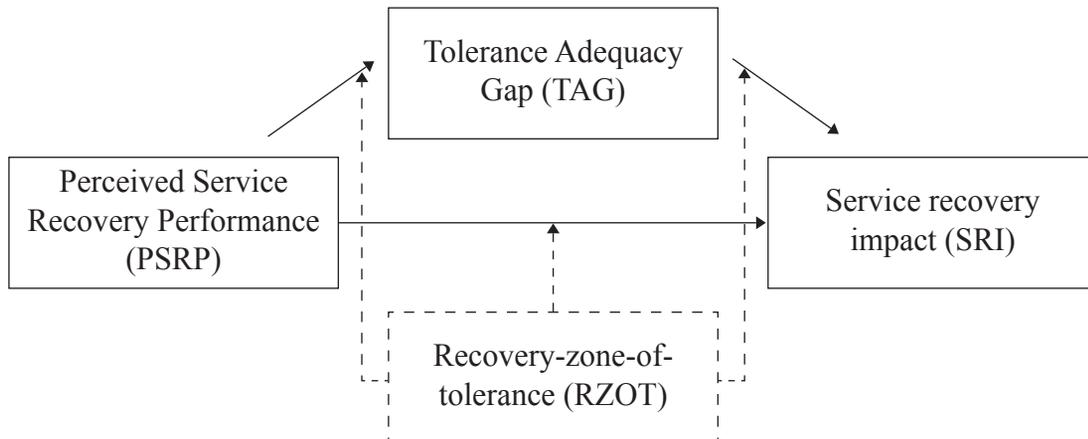
3. Methodology

The study was carried out in two phases. Phase-I involved a pilot study to:
a) refine survey instrument
b) confirm research protocol
c) confirm space reliability

Focus group interviews were administered to fifty (50) selected personnel representing customers, hoteliers, tour operators, restaurateurs, professionals, academicians, students and housewives. Cronbach's α coefficient (>0.7) established scale reliability (Nunnally and Bernstein, 1994). The refined structured questionnaire contained five sections. Section 1A asked the respondents about the service recovery/

remedial efforts initiated by their hospitality service provider following a perceived service failure. Section 1B was designed to assess customers' perception of service recovery in the context of the degree of effort initiated by the hospitality service provider and thus was categorised into 'high' [1], 'moderate' [2] and 'low' [3]. Section 2 was intended to generate response on the service-recovery-zone-of-tolerance [SRZOT] of respondents in the context of their service recovery experience. Section 3 was designed to generate response from the customers to identify the tolerance-adequacy-gap associated with SRZOT. Section 4 was targeted to assess the impact of service recovery. Section 5 was designed to generate the demographic profile of the respondents.

Phase 2 of the cross-sectional study was conducted in one of the most sought after tourist destinations in eastern India, Santiniketan, and was bifurcated into two time horizons to tap maximum customer-traffic. It was carried out using the refined structured questionnaire obtained as a result of phase 1 study. Convenience sampling technique was administered (in order to identify the tourists who had encountered service failures) through a mall-intercept process. Every fifth customer coming out of hotel, restaurant, tour-operator and logistic service providers' premise was asked to complete the questionnaire. A total number of 5000 questionnaires was collected, which generated 4387 usable responses with a response rate of 87.74%.

3.1 Factor constructs measurement

To develop a measure for perception of service recovery performance (PSRP) the 29 item scale used by Kau and Loh (2006) (adopted from Bies and Shapiro, 1987; Blodgett et al., 1997; Bitner et al., 1990; Parasuraman et al., 1988) was used. Respondents' perception of service recovery was measured and using the same items, respondents were also asked to indicate their minimum and desired service expectations and these two indicators represent the lower and upper bounds of the recovery-zone-of-tolerance (RZOT) (Baksi and Parida, 2013). The service recovery impact was considered to be representative of distributive, procedural and interactional justice and the measures for the same was adopted from Blodgett et al (1997) and Karatepe (2006). For tolerance-adequacy-gap (TAG) measurement, an 18 item scale was developed and tested for refinement and validation.

A 7-point Likert scale (Alkibisi and Lind, 2011) was used for section 1A, 1B, 3 and 4. For section 2, a 9-point Likert scale was used where '9' denoted 'cannot do without it' on one extreme and on the other extreme, '1' represented 'can do without it'. The upper-bound [desired level] of SRZOT was represented by '9'/ '8' while the lower-bound [adequate level] was represented by '7'/ '6'.

3.2 Reliability and validity test

Exploratory factor analysis (EFA) was deployed using principal axis factoring procedure with orthogonal rotation through VARIMAX process with the objective of assessing the reliability and validity of all factor constructs. Secondly, confirmatory factor analysis (CFA) was used to understand the convergence, discriminant validity and dimensionality for each construct to determine whether all the items measured the construct they had been assigned for adequately. Finally, LISREL 8.80 programme was used to conduct the Structural Equation Modeling (SEM) and Maximum Likelihood Estimation (MLE) was applied to estimate the CFA models.

4. Data analysis and interpretation

The demographic data collected from the respondents are presented in Table 1.

Table 1: Demographic data of the respondents

Demographic Variables	Factors	Freq.	%
Gender	Male	3095	70.54
	Female	1292	29.46
Age	≤ 21 years	69	1.6
	22-32 years	1585	36.12
	33-43 years	1873	42.69
	44-54 years	678	15.45
	≥ 55 years	182	4.14
Income (Rupees per month)	≤ 20000.00	156	3.57
	>20000.00≤ 35000.00	2993	68.22
	>35000.00≤ 50000.00	982	22.38
	>50000.00	256	5.83
Occupation	Service [govt./prv]	2874	65.51
	Self employed	892	20.33
	Professionals	254	5.78
	Student	68	1.57
	Housewives	299	6.81
Educational qualification	High school	28	0.66
	Graduate	3685	83.99
	Postgraduate	599	13.65
	Doctorate & others (CA, fellow etc)	75	1.70

Exploratory factor analysis (EFA) was applied to assess the reliability and validity of the constructs using principal axis factoring procedure with orthogonal rotation through VARIMAX process. The results of the EFA are displayed in Table 2. The Cronbach's Coefficient alpha was found significant enough, as it measured >.7 (Nunnally and Bernstein, 1994) for all constructs and therefore it is reasonable to conclude that the internal consistency of the instruments used was adequate. Each

accepted construct displayed acceptable construct reliability with estimates well over .6 (Hair, Anderson, Tatham and William, 1998). Further to this, the average variance extracted (AVE) surpassed minimum requirement of .5 (Haier et al., 1998). The KMO measure of sample adequacy (0.897) indicated a high-shared variance and a relatively low uniqueness in variance (Kaiser and Cerny, 1979). Barlett's sphericity test (Chi-square=956.197, df=461, p<0.001) indicated that the distribution is ellipsoid and amenable to data reduction (Cooper and Schindler, 1998).

The initial 29 items related to perceived service recovery were reduced to 12 items with items having factor loading scores of <0.6 discarded. 9 items related to tolerance-adequacy-gap revealed significant factor loading, while 11 items of service recovery impact showed significant loading.

Table 2: Measurement of reliability and validity of the variables

Items	FL	t	α	AVE
Perceived Service Recovery (PSR)				
My hospitality service provider explains the reason/s for failure in service transaction, if any (PSR1)	0.741	26.919	919	0.887
My hospitality service provider listens to my problems in accessing services. (PSR2)	0.730	25.098	919	0.887
My hospitality service provider seems to be concerned about my problems related to services provided (PSR3)	0.709	20.221	919	0.887
My hospitality service provider is prompt to offer an apology for the service failure encountered (PSR4)	0.722	24.883	919	0.887
My hospitality service provider assures of a quick remedy to the service failure encountered (PSR5)	0.698	18.006	919	0.887
My hospitality service provider offers zero-cost transaction while fixing the service failure (PSR6)	0.709	20.221	919	0.887
My hospitality service provider offers future incentives for the customers encountering service failure (PSR7)	0.678	16.882	919	0.887
My hospitality service provider has well orchestrated system to recover from service failure (PSR8)	0.691	19.672	919	0.887

The employees of my hospitality service provider are knowledgeable enough to ensure service recovery(PSR9)	0.683	17.265	919	0.887
My hospitality service provider ensures recovery of service at the committed time (PSR10)	0.702	18.487	919	0.887
My hospitality service provider communicates with me at every stage of service failure, service recovery and post recovery (PSR11)	0.719	23.921	919	0.887
My hospitality service provider strictly monitors the post-recovery phase of service failure (PSR12)	0.688	17.731	919	0.887
Service recovery impact (SRI)				
I consider the attempt to recover the service failure was fair enough (SRI1).	0.761	28.501	915	0.891
I consider the recovery offer provided to me was adequate considering the situation (SRI2).	0.742	26.113	915	0.891
I consider that an adequate compensation package was offered to me against the service failure (SRI3).	0.718	26.442	915	0.891
My complaint was handled in a very timely manner (SRI4)	0.698	20.198	915	0.891
My complaint was resolved within committed time (SRI5)	0.721	27.093	915	0.891
The procedure for handling my complaint was systematic (SRI6)	0.673	18.265	915	0.891
The employees of my service provider were courteous to me (SRI7)	0.677	18.679	915	0.891
The employees' communication with me was appropriate (SRI8)	0.682	19.743	915	0.891
The employees put proper effort to resolve my problem (SRI9)	0.719	26.772	915	0.891
The employees of my service provider showed serious interest in resolving my problem (SRI10)	0.701	24.052	915	0.891
The employees of my service provider expressed concern regarding my problem (SRI11)	0.723	27.576	915	0.891
Tolerance adequacy gap (TAG)				
Service recovery initiatives communicated by my hospitality service provider matches with my expected level of service recovery (TAG1)	0.718	25.671	897	0.874

	FL	t	N	α
Service recovery offered by my hospitality service provider matches with my expected level of service recovery (TAG2)	0.679	18.762	897	0.874
Service recovery assurance committed to me by my hospitality service provider matches with my expected level (TAG3)	0.681	19.002	897	0.874
Service recovery time committed to me by my hospitality service provider matches with my expected level (TAG4)	0.669	17.401	897	0.874
Service recovery complaint handling by my hospitality service provider matches with my expected level (TAG5)	0.652	15.204	897	0.874
Service recovery responsiveness by my hospitality service provider matches with my expected level (TAG6)	0.672	18.110	897	0.874
Technology and system support used by my hospitality service provider for service recovery matches with my expected level (TAG7)	0.691	20.028	897	0.874
Service recovery related transaction cost minimization committed by my hospitality service provider matches with my expected level (TAG8)	0.701	22.918	897	0.874
Service recovery related incentives committed by my hospitality service provider matches with my expected level (TAG9)	0.684	19.278	897	0.874
KMO	0.897			

Barlett's test of sphericity	Chi-square (χ^2)	956.197
	df	461
	Sig.	.000

** FL: factor loadings, t: t-value, α: Cronbach's α, AVE: average variance extracted

Bivariate correlation was obtained to understand the co relationship between perceived service recovery performance (PSRP), tolerance adequacy gap (TAG) and service recovery impact (SRI). As a measure of the variables, composite means were obtained for the same. The results (Table-3) confirmed PSRP shared a strong and positive correlation with TAG (r=.182**, p<.001) and SRI (r=.201**, p<.001) while TAG and SRI shared a moderate correlation with each other (r=.095*, p<.005).

Table 3: Bivariate correlation between the variables under study

Variables	Perceived service recovery performance (PSRP)	Tolerance adequacy gap (TAG)	Service recovery impact (SRI)
Perceived service recovery performance(PSRP)	1		
Tolerance adequacy gap (TAG)	0.182**	1	
Service recovery impact (SRI)	0.291**	0.095*	1

**Correlation significant at 0.01 level (2 tailed)

To test H_1, regression analysis was conducted by incorporating dummy variables (Zeithaml et al 1996) to understand the changes in slopes in customer retention across the three zones of RZOT. Dummy variables were used to indicate if an individual customer's perception of service recovery performance (PSRP) were outside (above/ below) or within the same customer's RZOT under the influence of TRI. The following regression equation indicated the value of d_1=1, if PSRP is less than the adequate expectation, d_2=1, if PSRP exceeds desired level. Therefore, the relationship between PSRP and TRI across and beyond SRZOT can be defined as:

$$X_1 = \beta_0 + \beta_1 (TRI) + \beta_2(d_1 * TRI) + \beta_3(d_2 * TRI) + \varepsilon_1$$

where, X_1 = PSRP, TRI = Tourist relationship index, d_1 = 1, when PSR<adequate level, 0 otherwise; d_2 = 1, when PSR>desired level, 0 otherwise, β_1, β_2, β_3 = unstandardized regression coefficients, β_0 = constant in the equation, ε = error term

In this equation the slope inside the RZOT is β_1, below RZOT is $\beta_1 + \beta_2$ and above RZOT is $\beta_1 + \beta_3$. The results of the regression analysis (Table 4) indicated that the impact of TRI is significantly high on PSRP both within (β=.642, t=39.117, p<0.01) and above (β=.592, t=31.927 p<0.01) the RZOT and moderately negative below the same (β= -0.14*, p<0.05). The regression results, however, did not reveal any significant impact of TRI on PSRP below RZOT. The results lend support to H_1.

Table 4: Regression results across RZOT levels

Dependent variable	Independent variable- TRI								
	Regression coefficients								
	(β_1)	t	Sig.	$(\beta_1+\beta_2)$	t	Sig.	$(\beta_1+\beta_3)$	t	Sig.
PSRP	.642	39.117	.000	.022	2.541	.263	.592	31.927	.000

The minimum, desired and perceived level of service recovery were calculated by obtaining the composite mean of response across the nine items of TAG loaded in EFA. The following range was fixed to calculate the TAG (Table 5):

Table 5: Range fixation for calculation of TAG

	Service-recovery-zone-of-tolerance (SRZOT)	Positive tolerance-adequacy-gap (grey shade)	Negative tolerance-adequacy-gap (red shade)
Upper boundary	Desired level of service recovery	Perceived service recovery effort	Minimum level of service recovery
Lower boundary	Minimum level of service recovery	Minimum level of service recovery	Perceived service recovery effort

Section 3 of the survey instrument revealed the following data with regard to TAG (Table-6). The tolerance-adequacy-gap represents the range between what is minimally acceptable to the customer and what they perceive the service recovery level to actually be. It measures the degree to which the perceived service recovery levels exceed the customers' minimum expectations. A positive number indicates that the perceived service recovery level exceeds the customers' minimum expectations. A small positive tolerance-adequacy gap signals close monitoring of the recovery process. A negative tolerance-adequacy-gap indicates that the minimum level of service recovery that the customers expect is not being met.

Table 6: Range fixation for calculation of TAG

PSR/ PSRP items	Minimum level of service recovery	Desired level of service recovery	Perceived service recovery performance (PSRP)	Positive TAG	Negative TAG
PSR1	6.37	6.83	6.41	0.04	
PSR2	6.34	6.87	6.37	0.03	
PSR3	6.55	6.85	6.29		-0.26
PSR4	6.42	6.91	6.46	0.04	
PSR5	6.34	6.77	6.09		-0.25
PSR6	5.85	6.41	6.07	0.22	
PSR7	5.97	6.52	6.17	0.20	
PSR8	5.81	6.11	6.23	0.42	
PSR9	6.42	6.91	6.67	0.25	
PSR10	6.57	6.92	6.69	0.12	
PSR11	6.21	6.79	6.19		-.02
PSR12	6.31	6.93	6.37	0.06	

To test H_2, and specifically the predictive and deterministic capability of PSRP to determine TAG, regression analysis was deployed. Results of regression analysis were displayed in Table-7. The model summary for PTAG showed R^2 and adjusted R^2 to be as .579 and .576 respectively indicating that PSRP measures 57.9% of the variation in aggregate in PTAG while the same for NTAG exhibited R^2 and adjusted R^2 to be as .461 and .459 respectively indicating that PSR measures 46.1% of the aggregate variation in NTAG which is considered to be significant enough for predictability of the model. ANOVA established that the variation showed by the both PTAG and NTAG were significant at 1% level (f=89.582, p<.001 for PTAG and f=41.228, p<.001 for NTAG). Regression coefficients confirmed a strong associationship between PSRP and PTAG (β=.677, t=49.619, p<.001) and between PSRP and NTAG (β=.389, t=18.374, p<.001) hence, PSRP could be an effective determinant of both PTAG and NTAG thereby confirming the deterministic capability of PSRP towards determining TAG. Hypothesis 2 was accepted.

Table 7: Regression analysis

Model	Dep. variable	Model summary				ANOVA		Coefficients				
		R	R^2	Adj. R^2	R^2 ch.	f	Sig.	Unstd. Coeff.		β	t	Sig.
								B	Std. error			
1	PTAG	.761	.579	.576	.579	89.582	.000	.873	.152	.677	49.619	.000
1	NTAG	.679	.461	.459	.461	41.228	.003	.520	.115	.389	18.374	.002

Dependant variable: PTAG, NTAG, independent variable: PSRP

To test H_3, simple regression analysis was deployed. Perception of Service recovery impact (SRI) was obtained by calculating the composite mean for each individual respondent across the 11 items (3 for distributive justice, 3 for procedural justice and 5 for interactional justice) of SRI. TAG has been calculated on the basis of range fixation for both PTAG and NTAG and averaged. The results of the regression analysis were displayed in Table 8. The model summary exhibited R^2 and adjusted R^2 to be as .679 and .461 respectively indicating that PTAG and NTAG measures 67.9% of the variation in aggregate in SRI which is considered to be significant enough for predictability of the model. ANOVA established that the variation showed by SRI was significant at 1% level (f=150.305, p<.001). Regression coefficients confirmed a strong and positive association between PTAG and SRI (β=.267, t=12.448, p<.001) and significant but negative association between NTAG and SRI (β=-.234, t= -10.905, p<.001). The negative β value confirmed that SRI is inversely related to NTAG thus clarifying the fact that with the increase of negative tolerance adequacy gap, perceived service recovery impact decreases. Hypothesis 3 was accepted.

Table 8: Regression analysis

Model	DV/ INDV	Model summary				ANOVA		Coefficients				
		R	R^2	Adj. R^2	R^2 ch.	f	Sig.	Unstd. Coeff.		β	t	Sig.
								B	Std. error			
1	SRI/ PTAG/	.679	.461	.460	.461	150.305	.000	.174	.014	.267	12.448	.000
1	SRI/ NTAG							-.085	.008	-.234	-10.905	.000

Dependant variable: SRI, independent variable: PTAG, NTAG

To assess the mediating effects of RZOT on PSRP-TAG-SRI link (H4), hierarchical regression analysis was deployed by considering the average (mean) values of the variables (across the items). For providing empirical evidence to our hypotheses, we proposed an ordinary least square (OLS) regression for our dependent variables TAG and SRI. The following models were constructed:

$$TAG = \beta_0 + \beta_1 * PSRP + \beta_2 * RZOT + \beta_3 * PSRP * RZOT + \varepsilon_i$$

$$SRI = \beta_0 + \beta_1 * PSRP + \beta_2 * RZOT + \beta_3 * TAG + \beta_4 * PSRP * TAG + \beta_5 * TAG * RZOT + \beta_6 * PSRP * RZOT * TAG + \varepsilon_i$$

The regression models were displayed in Table 9. Four models were generated. Model 1 depicted the direct effects, model 2 and 3 represented the binary interaction and model 4 represented the ternary interaction between variables. Standardization was applied to avoid interference with regression coefficients arising out of multi collinearity between interaction variables (Irwin and McClellan, 2001; Aiken and West, 1991). The VIF (variance inflation factor) corresponding to each independent variable is less than 5, indicating that VIF is well within acceptable limit of 10 (Ranaweera and Neely, 2003). Results of Model 1 revealed that RZOT is significantly predictive for TAG ($\beta = .199$, t= 15.743, p<0.01) while the direct effect of PSRP ($\beta = .101$, t=9.291, p<0.05) on TAG was found to be moderately significant. Direct effect of RZOT on SRI was also found to be positive and significant ($\beta = .127$, t=11.027, p<0.05). PSRP was also found to be positively associated with SRI ($\beta = .230$, t=19.673, p<0.01) and TAG was found to exercise moderately significant impact on SRI ($\beta = .085$, t=6.125, p<0.05). The binary interaction between RZOT and PSRP (Model 2) indicated that with the increase in PSRP the impact of RZOT on TAG increases significantly ($\beta = .252$, t=23.688, p<0.01) while the binary interaction between RZOT and TAG portrayed that increase in TAG will have positive and significant impact of RZOT on SRI ($\beta = .228$, t=17.834, p<0.01). Model 4 revealed the ternary interaction whereby it was established that SRI will be augmented under the influence of RZOT if PSRP and TAG are perceived to be high (β=.197, t=16.729, p<0.01). All the four models allowed the researcher to accept H$_4$.

Table 9: Regression models testing the interaction effects

Independent Variables	Dependent variable: TAG				
	Model-1 β /t /Sig.	Model-2 β/t/Sig.	Model-3 β/t/Sig.	Model-4 β/t /Sig.	VIF
RZOT	.199/15.743/.000				1.834
PSRP	.101/9.291/.004				1.516
Binary interaction effects					
PSRP*RZOT		.252/23.688/.000			1.904
R	.762	.659			
R²	.580	.434			
Adjusted R²	.762	.659			
f/sig.	124.281/.000	163.094/.000			
Dependent variable: SRI					
RZOT	.127/11.027/.001				1.456
PSRP	.230/19.673/.000				1.684
TAG	.085/6.125/.005				1.419
Binary interaction effects					
PSRP*TAG			.348/28.925/.000		1.762
TAG*RZOT			.228/17.834/.000		1.560
Ternary interaction effects					
PSRP*RZOT*TAG				.197/16.729/.000	1.729
R	.641		.601	.721	
R²	.410		.361	.519	
Adjusted R²	.641		.601	.721	
f/sig.	142.118/.000		98.810/.001	139.542/.000	

a. Dependent variables: TAG, SRI, b. Independent variable: PSRP, c. Moderating variable: RZOT

Confirmatory factor analysis (CFA) was applied to assess the convergence, discriminant validity and dimensionality for each construct to determine whether all the 32 items (Table 2) measure the construct adequately as they had been assigned for. LISREL 9.90 programme was used to conduct the Structural Equation Modeling (SEM) and Maximum Likelihood Estimation (MLE) was applied to estimate the CFA models. A number of fit-statistics were obtained (Table 10) for the default (proposed) model. The comparative fit indices namely CFI (0.980), NFI (0.988) and TLI (0.971) were found significant enough to accept the fitness of the default (proposed) model (Schreiber et al, 2006). The Parsimonious fit indices (PNFI=0.701, PCFI=0.779, PGFI=0.724) also confirmed the robustness of the model and indicated an absolute fit

(Schreiber et al, 2006). The GFI (0.987) and AGFI (0.982) scores for all the constructs were found to be consistently >.900 indicating that a significant proportion of the variance in the sample variance-covariance matrix is accounted for by the model and a good fit has been achieved (Hair et al, 1998; Baumgartner and Homburg, 1996; Hulland et. al, 1996; Kline, 1998; Holmes-Smith, 2002, Byrne, 2001). The CFI value (0.980) for all the constructs were obtained as > .900 which indicated an acceptable fit to the data (Bentler, 1992). The expected cross-validation index was found to be small enough (ECVI=0.0021) to confirm the superiority of the default model to the saturated and independence model. The RMSEA value obtained (0.051) is < 0.08 for an adequate model fit (Hu and Bentler, 1999). The RMR value (0.002) is low enough (close to 0.00) to assure a robust-fit of the model. The SRMR value was also indicative of good fit (0.0286 which is ≤ .08) (Schreiber et al, 2006, Anglim, 2007). The probability value of Chi-square (χ^2=204.98, df=114) with P=0.08 is more than the conventional 0.05 level indicating an absolute fit of the model to the data and the χ^2/df value is ≤ 2 (1.79) suggesting its usefulness to justify the default model as the nested model.

Table 10: Fit indices for the default model

| Absolute predictive fit				Comparative fit			Parsimonious fit			Others				
χ^2	df	P	ECVI	NFI	TLI	CFI	PNFI	PCFI	PGFI	GFI	AGFI	RMR	SRMR	RMSEA
204.98	114	0.01	0.0021	0.988	0.971	0.980	0.701	0.779	0.724	0.987	0.982	0.002	0.0286	0.051

To construct the nomological network, structural equation modeling (SEM) was used to test the nomological validity of the proposed research model. Composite mean scores of PSRP, TAG and SRI, across individual items, were obtained by summating the ratings on the scale provided in the survey instrument items which were used as indicators of their latent version.

Structural Equation Modeling (SEM) was used to test the relationship among the constructs. All the 14 paths (including direct and indirect effects) and 3 paths (depicting moderating effects) drawn were found to be significant at both p<0.01 and p<0.05 levels. The research model holds well (Fig.2) as the fit-indices supported adequately the model fit to the data. The double-curved arrows indicated correlation between the exogenous and endogenous observed variables which were found significant. The residual variables (error variances) are indicated by $\epsilon_1, \epsilon_2, \epsilon_3,$ etc. The regression

weights were represented by λ. The relationship between the exogenous variables was represented by β. One of the factor loading was fixed to '1' to provide the latent factors an interpretable scale (Hox & Bechger).

Figure 2: Structural model showing the path analysis

----------▸ : indicates moderating effects
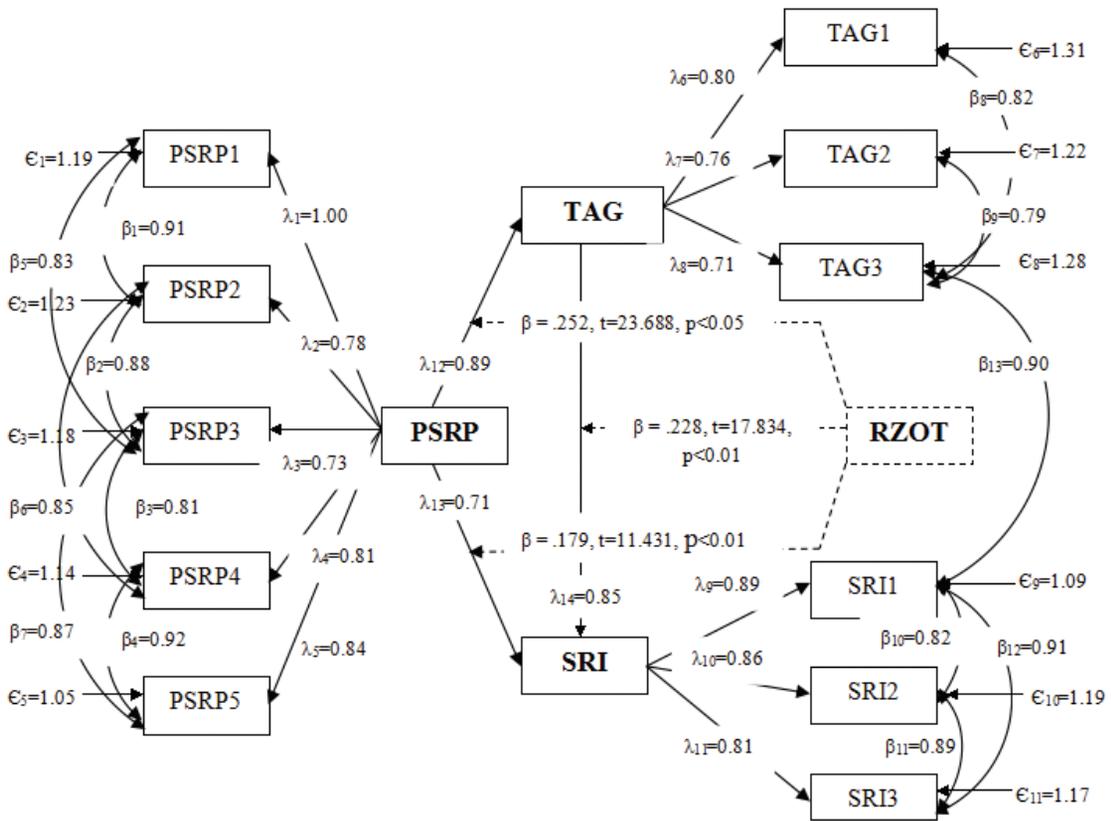
The direct and indirect effects of the constructs were calculated and tabulated in Table 11. Since there was an absence of indirect non-causal effect, model respecification was not required (Hair et al, 2010). It was significant to note that the indirect effect of PSRP on SRI (through TAG) proved to be stronger (0.75) than the direct effect of PSRP on SRI (0.71) confirming the impact of TAG in determining SRI in association with PSRP.

Table 11: Direct, indirect and total effects of independent variables on dependent variables

Relationship	Effects			
	Direct (causal)	Indirect (causal)	Indirect (non-causal)	Total
PSRP >> TAG	0.89	-----	-----	0.89
TAG >> SRI	0.85	-----	-----	0.85
PSRP >> SRI	0.71	-----	-----	0.71
PSRP >> TAG >> SRI		0.75 (0.89*0.85)	-----	0.75

5. Implications for theories and practice

The concept of RZOT and TAG will be instrumental in stimulating further research to fine-tune the dimensionalities of the same. Further to this, the concept of RZOT will expand the domain of 'justice theory' (Smith et al, 1999) by assigning individual threshold limits (both upper-bound and lower-bound) of acceptable service recovery for distributive justice, procedural fairness and interactive justice which was found to be an adequate explanation to the conceptualisation of service recovery impact. Perceived service recovery performance, which varies across the RZOT levels, was found critical in determining the tolerance adequacy gap while the latter was also found to be critical of understanding the tourism relationship index. RZOT was also found to have significant mediating effect on PSRP-TAG-SRI link suggesting RZOT's critical role towards perception of service recovery effort and subsequent impact. RZOT may provide researchers with the elusive factor that explains variation in acceptance of service recovery initiative resulting in heterogeneous satisfaction level. The results confirmed that the perception of SRI is dependent on TAG which affirms the basic assumption of the study that recovery success is dependent on the tolerance level related to recovery.

The proposed research model holds good for each of the constructs. The researcher believes the model has managerial implication and that the hospitality and tourism service providers may use the same for identifying the range of tolerance level of tourists which will reinforce the service providers' effort to ensure a higher degree of recovery initiative. The study, on the basis of primary data collected from Santiniketan,

revealed that tourists' perception of service-recovery performance and impact is moderated by RZOT and TAG (both PTAG and NTAG), was also found to be pivotal in determining the recovery impact.

The study was restricted to a specific geographical location in West Bengal, which in future, can be expanded to obtain a more generalised conclusion. The study focused on a single industry (hospitality & tourism) as a case and in future other service sectors namely banking, entertainment, online-trading etc. should be incorporated to frame a more robust RZOT model and TAG range. The study was cross-sectional in nature; therefore longitudinal research may be taken up also to realize the gradual changes in the perceptual level of customers with respect to their expectations and perception of service recovery, tolerance level and perceived level of recovery impact.

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"A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well."

– Jeff Bezos

Impact of Corporate Image on Business Performance and Moderating Role of Service Quality, Customer Satisfaction and Customer Loyalty

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Abstract

This study examines the relationship between customer satisfaction, customer loyalty and banking service quality and its effect on corporate image in the Indian banking sector. It also seeks to discover the impact of service quality and customer satisfaction on corporate image and business performance.

Analysis of the results of the study indicated a positive relationship with the hypotheses supported empirically. The findings support the suggestion that banks should focus on enhancing their service quality as a concrete measure to enhance customer satisfaction. The study also supports the contention that customer satisfaction positively affects customer loyalty which in turn, helps to enhance corporate image. Finally, the results show that positive corporate image also improves the business performance of banks.

1. Introduction

It is now an accepted premise that a company's image is built upon its service quality indicated by the level of customer satisfaction. Examination of consumer behaviour activities aims at understanding the purchaser's choice making methodology, both independently and aggregately. It includes investigating singular consumer characteristics, for example, demographics and behavioural variables in an endeavour to comprehend individuals' needs. Consumer behaviour surveys are used to enhance knowledge not only of what consumers buy, but also why they buy, when they buy, where they buy, how they evaluate their purchase, and how they ultimately dispose of it. Schiffman, Hansen, Kanuk, Stávková, Stejskal, & Toufarova (2008) contend that consumers regularly purchase items for their subjectively observed values rather than for their essential capacities. An important phase in the buying decision process is the post-purchase stage when the buyer evaluates the purchased product to determine if its properties and performance meet expectations and desires (Foret & Procházk, 2007). Against these consumer behaviour features, this study attempts to discover the impact of service quality and customer satisfaction on corporate image.

2. Objective of the study

The main aim of this study is to find out the association between banking service quality, customer satisfaction and customer loyalty and their impact on corporate image, which in turn acts as a moderator for business performance in central Indian banks. Specifically, the study will investigate the following:

1. To find out the underlying factors of service quality, customer satisfaction, corporate image and business performance.
2. To explore the impact of banking service quality on customer satisfaction and the corporate image of the banking sector.
3. To study the impact of corporate image on business performance of the banking sector
4. To study the impact of customer loyalty on corporate image.

3. Research Perspectives

This section of the article discusses the review of literature carried out as part of the research.

3.1 Banking Service Quality

According to Mengi, (2009), the impact of customer service is an integral part of any facet of banking. It defines the future of any banking organisation. His study compared customer perception of service quality provided by public and private banks of Jammu, India. The study concluded that customers of public sector banks were more satisfied with the service quality, than those of private sector banks in Jammu.

Dedeke (2000) framed service quality as a fulfillment-oriented construct, in terms of dominant service interactions. Popli and Rao (2009) determined the level of service quality provided by public sector banks to Small & Medium Enterprises which play a key role in India's economy. Among other findings, the study concluded that the service quality of private banks was superior to that of public sector banks. Hazra, Ghosh and Srivastava (2009) argued that service quality should be used as an indispensable competitive strategy to retain customers. Banks are continuously trying to win customer satisfaction and loyalty by providing better services quality. Their study examined the relationship between service quality, customer loyalty, commitment and trust from the customer's perspective in the Indian banking sector. The results showed that dimensions of service quality such as assurance-empathy, reliability and tangibles positively predicted customer trust and commitment. Their results also implied that service quality had a positive and strong association with customer loyalty. The customers of private banks were more committed and loyal due to the quality of service received.

Hoffman & Bateson, (2002) noted that the service industry differed from the manufacturing industry because services are intangible as they cannot be touched, seen or felt; they are not perishable as we are unable to store them; the services are inseparable as they are attached with a service provider, and insubstantial due to heterogeneity.

Parasuraman, Zeithaml, & Berry, (1985) argued that the evaluation of the quality of service provided is difficult when compared to the evaluation of physical goods in service. Physical goods are purchased on the basis of their visual characteristics. Services are considered as intangible because we are unable to see, touch or feel them.

Hanson (2000) suggested that the level of service quality reflected the organisation's ability to meet customers' needs and desires. Organisations needed to improve their services to meet customers' wants and requirements. The study found that customers' perception of service quality was considered very important for organisations wishing to remain competitive in the market.

Saravanan and Rao (2007) investigated service quality dimensions and found a significant effect of service quality on satisfaction in Spain. In this study, a conceptual framework was developed to measure service quality from the customer's perspective.

3.2 Customer satisfaction in banking

Schmalensee (2006) found that with the internal customer, satisfaction involved three aspects; involvement, enablement, and pure internal customer satisfaction.

Jamal and Naser (2002) identified service quality and value for money offered by retail banks as a key antecedent for customer satisfaction. They concluded that both core and relational dimensions of service quality appeared to be linked to customer satisfaction.

Taylor, et al. (2004) in their study stated that customer satisfaction had evolved into an important aspect in the business world. Their study examined definitions of quality in terms of problems which affected customer expectations. They concluded that by meeting customer expectations, a company could improve quality internally.

Jones, Mothersbaugh and Beatty (2002) further emphasised that customer satisfaction assessment was widely recognised as a vital input to any company strategy focused on improving business performance. The management needs to pay attention to cost reductions or outsourcing to reduce overheads in major internal business functions such as IT. Mishra, (2010) analysed the retail banking sector in India at a time when

the industry was undergoing sweeping changes resulting from heightened competition and the initiation of modern technology. Customers are becoming more demanding and are continuously looking for better quality services and products from the retail banks. Deng, et al. (2010) proposed an effective customer satisfaction programme that would differentiate them from their competitors. They suggested five steps to greater customer satisfaction that focused on satisfaction audits, service strategy development, employee relations, implementing tactics, maintenance and feedback. They concluded that marketers must ultimately have a good understanding of the marketplace to mount an effective response.

Sureshchandar, et al. (2002) investigated customer satisfaction along five dimensions. Their exploration of the relationship between service quality and customer satisfaction in the banking industry was built around (i) core service or service product; (ii) human element of service delivery, (iii) systematisation of service delivery (non-human element); (iv) tangibles of service (service escapes) and, (v) social responsibility.

Kayis, Kim, & Shin, (2003) defined customer satisfaction in terms of the cumulative result of customers' internal feelings about their experiences related to products/services. They concluded that banks which concentrated on achieving customer satisfaction were more likely to have repeated purchase behaviour that would contribute to their long-term business success. Their empirical study indicated a strong relationship between perceived service quality, customer satisfaction and other variables in Australian and Korean banks.

Khalifa & Liu, (2003) measured satisfaction by the discrepancy between perceived performance and cognition like expectations or desires. Several factors yielded customer satisfaction including service quality. Their study reported that customer satisfaction played a crucial role in retaining customers, resulting in greater profitability, increased market share and higher returns on investment. Service quality leading to customer satisfaction also generated outcomes which include repeat purchase intentions, brand loyalty, spreading positive word of mouth, all contributing to long term profitability.

Gustafsson, Johnson, & Roos, (2005) characterised satisfaction as a customer's overall evaluation relating to offers. Their study found that overall satisfaction had a strong and positive impact on customer loyalty regarding a wide range of products

and services. The results of this study implied that there was a direct and positive relationship between perceived quality and level of satisfaction. The researchers suggested that banks could create customer satisfaction by integrating trustworthy behaviour, creating proper channels for communication of information, reflecting on absolute commitment towards providing quality services, settlement of conflicts and enhancing the quality of overall customer relations.

Ting (2006) investigated the impact of customer satisfaction in banks in Malaysia, and found a U-shaped relationship between customers' perception of satisfaction and positive word of mouth referrals in the context of changing ownership. The researcher used structural equation modelling to measure customer satisfaction. The study was based on 220 customers from 15 retail banks and concluded that overall customer satisfaction was a key factor of relationship quality. The main indicators of customer satisfaction were listed as trust, commitment, communication, service quality, service satisfaction and service handling.

3.3 Corporate Image in Banking

Arasli, et al., (2005) analysed and compared corporate image in the commercial banking sector of a small island economy, Cyprus. The study investigated the relationship between overall bank corporate image in the Turkish- and Greek-speaking areas of Cyprus and positive word-of-mouth about their banks. Using descriptive and factor analysis of the overall corporate image, the research results revealed that the expectations of bank customers in both areas were not met and that the largest gap was found in the empathy dimension. The largest influence on corporate image was through the assurance dimension. The overall satisfaction of bank customers in both areas of Cyprus had a positive effect on their word-of-mouth and helped banks in both areas of Cyprus to redefine their corporate image to one that was customer-focussed and driven by service quality. The study also indicated that the Turkish-speaking area, which was not at the same level of economic development as its neighbours in the south, would need to restructure its banking system before accession to the EU.

Public Relations is concerned with maintaining the public image of organisations, programmes, or individuals (Seitel, 1998). As such, it is useful for organisations to engage the services of consultants who will research public opinion, analyse attitudes

and advice on problems related to corporate image. Lately, some industries like financial services, chemicals factories, etc. have faced serious corporate image problems and had been branded as exploitative ventures. (Ballantyne & Varey, 2006)

Jones (1996) argued that corporate image assessment was widely recognised as a vital input to any strategy for customer-focused business performance improvement. There is a need to improve responsiveness and reduce overheads by focusing management attention on the major internal business functions such as the IT department and marketing department.

3.4 Customer Loyalty

Customer loyalty, the main consequence of customer satisfaction, had been defined and measured in many various ways over the past decades. Oliver (1997) defined customer loyalty as "a deeply held commitment to re-buy or re-patronise a preferred product or service consistently in the future, despite situation influences and marketing efforts having the potential to cause switching behaviours". According to the literature, customer loyalty comprises several distinct dimensions. The two most important dimensions are the behavioural and attitudinal components (Jacoby and Kyner 1973). Earlier research conceptualised customer loyalty as a behaviour (Dick and Basu 1994;). Behavioural loyalty signifies actual repeat purchasing behaviour, or the likelihood of repeat product/service purchases from the same supplier. Recent research measured loyalty attitudinally (including cognitive and/or affective components). Using this perspective, customer loyalty is perceived as future intention-to-repurchase or commitment that reflects the cognitive and emotional attachment associated with customer loyalty.

Each of these dimensions has pros and cons. Academics have faulted behaviour-based loyalty measures as failing to distinguish between true and spurious loyalty. Dick and Basu (1994) asserted that if behaviourally loyal customers with spurious loyalty located a better substitute, they would switch to the substitute. Day (1969) states, "These spuriously loyal buyers lacked any attachment to brand attributes, and they could be immediately captured by another brand that offered a better deal,"; which meant that actual repurchase behaviour was not always tied to a psychological and/or emotional commitment with respect to a product or service (i.e., true loyalty).

Bowen & Chen (2001) stated that an individual may reside at a hotel simply because it had the most convenient location.

Thus, repeat purchase behaviour does not always indicate commitment; rather, it may signify a random actual repeat purchase, or spurious loyalty. This spurious loyalty can be disregarded when attitudinal loyalty is the construct of interest. Shankar, Smith, & Rangaswamy (2003) maintained that attitudinally loyal customers were not likely to change to an incrementally more attractive alternative, because they had a certain degree of attachment or commitment to the product or service. Hence, attitudinal loyalty (or true loyalty) signified both higher repurchase intention and refusal to consider counter-persuasion and negative expert opinion. Generally, the attitudinal loyalty metric (e.g., the ACSI loyalty metric) had become a preferred measurement with respect to the relationship between customer loyalty and firm financial performance (Morgan & Rego, 2006)

As discussed earlier, the antecedent of customer loyalty is customer satisfaction, and the consequence of customer loyalty is firm performance. As the customer satisfaction metric is influenced by moderators, researchers have identified the effects of heterogeneity across individual customers and industry conditions on the customer loyalty metric.

Customer loyalty was one of the most important customer metrics in marketing due to the profit impact of maintaining a loyal customer base (Oliver 1999). Customer loyalty is linked to firm profitability because customer loyalty positively influenced firm product-marketplace performance (Anderson and Mittal 2000) and financial performance (Gupta & Zeithaml, 2006), and created shareholder wealth (Anderson, et al., 2004). Several reasons account for this positive loyalty-firm profitability link. First of all, according to Pfeifer, et al. (2005), loyalty reduced customer acquisition costs, which in turn, reduced firm costs or expenses. Secondly, customer loyalty indicated retention of customers, the most important measurement for firm profitability, because of loyalty measured customers' intentions to repurchase a product or service offered. Marketing academicians and practitioners had emphasized the consequences of market-based assets on success within the marketplace, as demonstrated in product sales and market shares. Top management recognised the significance of the effect of market-based assets on financial performance and regarded marketing as making important contributions to shareholder returns (Day & Fahey, 1988). They realised that not only

tangible assets, such as plant and equipment, raw materials, and finished products (whose values are enumerated on balance sheets), but also immaterial market-based assets, such as brand value and customers, channels, and relationships with partners (whose values are not seen on balance sheets) all played a part in creating shareholder wealth. Internet-based firms (e.g., Amazon, eBay, Google, and Facebook) and subscription-driven firms (e.g., Verizon Wireless and Cable companies) are an integral part of the contemporary digital economy, and generally do not hold tangible assets, as opposed to traditional firms. For them, market-based assets, including relationships with customers, are essential for their corporate survival.

Marketing academics and practitioners examined linkages between customer-metrics and firm finance performance (Rust, et al., 2004). Such studies demonstrated a strong and positive link between customer loyalty and firm profitability (Ittner & Larcker, 1998); Anderson et al. (2004). A variety of studies including those of Gupta, Lehman, & Stuart, (2004); Reinartz, et al. (2005); Thomas, Reinartz, and Kumar (2004) all demonstrated that customer retention, instead of customer acquisition or cross-selling, was the key driver of Customer Lifetime Value (CLV), and thus, firm financial profitability. Some studies argued that cross-selling was the key driver in the banking industry, Coyles & Gokey, (2005), and customer acquisition was the key driver in a rapidly growing market such as China (Keiningham, Cooil, Aksoy, Andreassen, & Weiner, 2007).

In this context, relationship marketing and customer relationship management theories underpin the framework for sustainable marketing in the banking sector. Furthermore, achieving long term customer relationships have become a fundamental objective in retail banking industry as a result of developments in the fields of technology and competitive business strategies Filip (2011).

Because of economic and social transformations, various banks are now facing increased customer migration rates that negatively impacted the level of business profitability. They face the challenge of how to respond in ways which will promote a more stable customer portfolio. Gaining customer loyalty becomes a key objective for banking companies that are focused on sustainable marketing and customer oriented business philosophy. The loyalty effects for companies include business safety, higher growth rate and positive image (Reichheld, 1996). Understanding customer loyalty and its prerequisites is never easy and can only come with continuous efforts in researching

consumer behaviour (Filip, 2011). Service quality, customer satisfaction, relational benefits (Grigore & Stancu, 2011), trust, commitment and image are all generally accepted determinants of customer loyalty in many service industries.

3.5 Bank / Business Performance

An organisation is a structured entity that is established to achieve specific goals. It consists of physical, human, informational and financial resources that are combined to realise certain objectives. Business organisations are basically formed with an intention of earning and maximising profit by performing legal activities. Banks offer a great number of products and service to customers for profit. There are several criteria to evaluate the performance of banks for successful survival in an era of globalisation and competition. There are multiple characteristics like profitability, liquidity, management of performance, leverage, market share, productivity, innovation, quality of products, human resources and volume of sales etc. which could be used to evaluate an organisation's performance.

Rashid et al. (2003) measured a firm's financial performance using financial indicators such as return on assets, return on investments and current ratios. Financial ratios reflect the financial performance of the organisation, as indicated by profitability, liquidity, leverage and asset utilisation and growth ratios.

The theoretical framework developed for this study simultaneously incorporates heterogeneity in the customer, firm, and industry dimensions of competitive settings as potential moderators of the satisfaction and loyalty association. This conceptual framework may facilitate a solution to the unresolved puzzles in the association. It is designed to help us augment our understanding vis-a-vis which customer, firm and industry factors are likely to influence variations in the levels of customer loyalty and in the strength of the satisfaction-loyalty association, thus allowing us to more precisely examine the true nature of the association.

The literature review led to a better appreciation of the relationships existing among the variables of service quality, customer satisfaction, and customer loyalty and their impact on business performance as well as the moderating effect of corporate image. The research design developed is shown in figure 1.

Figure 1: Research Model of Study
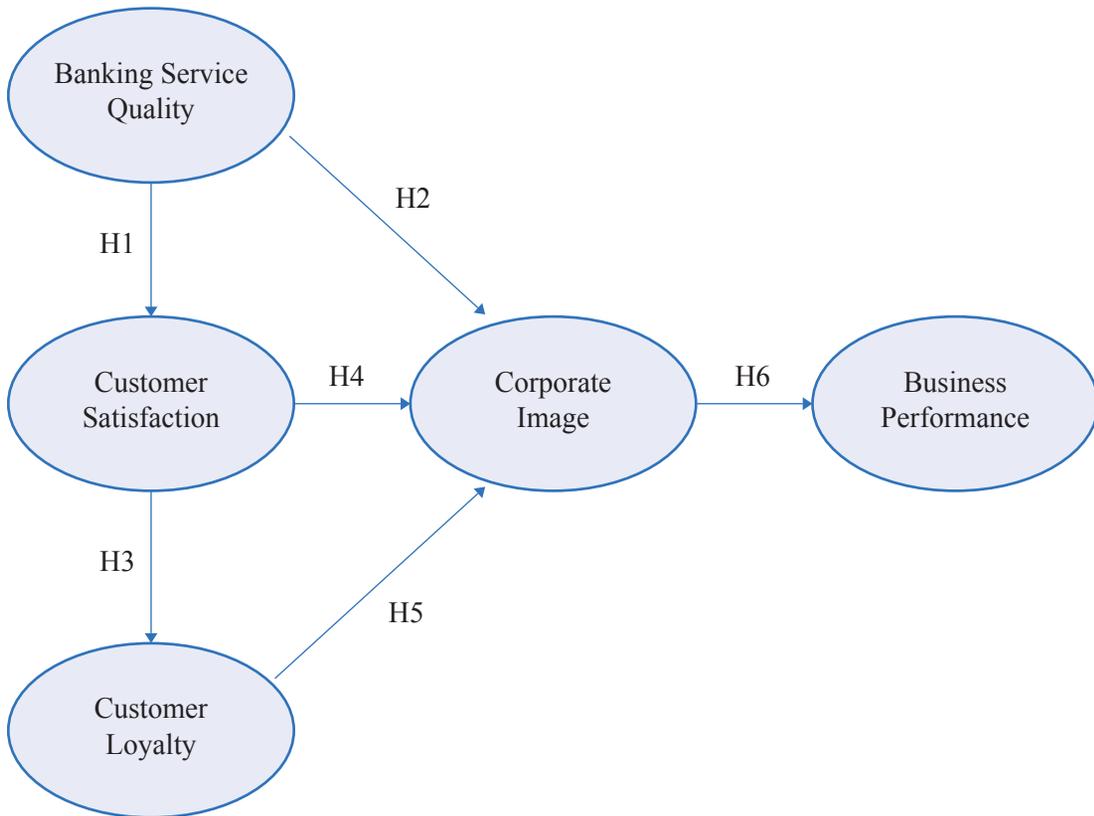
4. Research Methodology and development of the scale

The respondents of the study were customers of banking institutions in the state of Madhya Pradesh, India. They had been using the banking services at least for the past one year. The research was based on primary data collected through self-administered questionnaires completed by respondents identified through convenience sampling. The measurement scale of Parsuraman, Zeithmal and Berry (1988) '*SERVQUL''* was adapted and the scaling technique used was a 5-point Likert type scale. SPSS 20.0 was used to analyse the data.

The following were the hypotheses tested.

H1: There is positive effect of banking service quality on customer satisfaction.

H2: Banking service quality has a positive effect on corporate image.

H3: Customer satisfaction has a positive effect on customer loyalty.

H4: Customer satisfaction has a positive effect on corporate image.

H5: There is a positive relationship between customer satisfaction and corporate image.

H6: There is a positive effect of customer loyalty on business performance.

The study was conducted in Gwalior, Central India, and data was collected from customers of private and public sector banks. In total, 200 questionnaires were distributed to customers who used banking services. All the questionnaires were checked and 136 questionnaires were found suitable for data analysis.

5. Findings and Discussion

Out of the total of 136 respondents, 74 (54.4%) were male and 62 (45.6%) were females (refer Table 1).

Table 1: Frequency Gender-wise

	Frequency	Percent
Male	74	54.4
Female	62	45.6
Total	136	100.0

21 respondents were aged between 18-25 years, 40 respondents were from the 26-30 age group. There were 29 respondents from the 31-35 age group. 28 respondents belonged to the 36-40 years age group and finally 18 respondents were aged more than 41 years. Out of the 136 respondents, 20 had earned an income of less than one lacs per year. (one lacs is 100,000 Indian Rupees; one INR is approximately 0.016 USD) 59 of the respondents earned between one to two lacs yearly. 57 respondents had a yearly income of more than two lacs. In terms of profession of the respondents, 22 were self-employed, 34 respondents had government jobs, 68 respondents worked in private firms and 12 were professionals. Out of the total 136 respondents, 65

respondents were customers of government-owned banks and 71 respondents were customers of private banks.

Reliability of data

Table 2 exhibits the Alfa coefficient of the collected data at α= 0.945. This indicated that the collected primary data is highly reliable.

Table 2: Reliability Statistics

Cronbach's Alpha	N of Items
.945	49

Correlation between the variables

Table 3: Pearson's correlation between the variables

		1	2 (CS)	3 (CL)	4 (CI)	5 (BP)
1	Service Quality (SQ)	1				
2	Customer Satisfaction (CS)	.985**	1			
3	Customer Loyalty (CL)	.912**	.834**	1		
4	Corporate Image (CI)	.658**	.734**	.340**	1	
5	Business Performance (BP)	.955**	.916**	.958**	.412**	1
**. Correlation is significant at the 0.01 level (2-tailed).						

Table 3 exhibits the correlation between the variables used in the study. It shows a strong and positive relationship between service quality and customer satisfaction with Pearson's 'r' = 0.985, indicating a positive association between both the variables. Likewise, service quality was also positively associated with customer loyalty and Pearson's 'r' = 0.912. With corporate image, Pearson's 'r' = 0.658 and for business performance Pearson's 'r' = 0.955. The weakest association between the variables was displayed between corporate image and customer loyalty which had a Pearson's 'r' =

0.340. The strongest correlation was displayed between service quality and customer satisfaction with Pearson's 'r' = 0.985.

H1: There is a positive effect of banking service quality on customer satisfaction

**Table 4: Effect of banking service quality on customer satisfaction:
Standardized regression coefficients**

Independent Variables	Dependent Variable
	Customer Satisfaction
Banking service quality	0.985***
R^2	0.970
N	136
***p < .001 **p < .01 *p < .05	

It can be inferred from Table 4 that banking service quality is positively associated with customer satisfaction. This indicates that there is a positive effect of banking service quality on customer satisfaction. The banking service quality appears to facilitate customer satisfaction extraordinarily (as observed in Table 4, b=0.985, p<0.001). Thus the hypothesis is supported.

H2: Banking service quality has a positive effect on corporate image

Table 5: Effect of banking service quality on corporate image:
Standardized regression coefficients

Independent Variables	Dependent Variable Corporate Image
Banking Service Quality	0.658***
R^2	0.433
N	136
***p < .001 **p < .01 *p < .05	

It can be inferred from Table 5 that banking service quality is positively associated with corporate image. This indicates that banking service quality has a positive effect on corporate image. The banking service quality appears to facilitate corporate image extraordinarily (as observed in Table 5, b=0.658, p<0.001). Thus the hypothesis claiming that the banking service quality affects corporate image is supported.

H3: Customer satisfaction has a positive effect on customer loyalty.

Table 6: Effect of customer satisfaction on customer loyalty:
Standardized regression coefficients

Independent Variables	Dependent Variable Customer Loyalty
Customer Satisfaction	0.834***
R^2	0.695
N	136
***p < .001 **p < .01 *p < .05	

It can be inferred from Table 6 that customer satisfaction is positively associated with customer loyalty. Customer satisfaction does have a positive effect on customer loyalty. In this study, customer satisfaction appears to have an effect on customer loyalty extraordinarily (as observed in Table 6, b=0.834, p<0.001). The hypothesis that customer satisfaction affects customer loyalty is supported.

H4: Customer satisfaction has a positive effect on corporate image

Table 7: Effect of customer satisfaction on corporate image: Standardized regression coefficients

Independent Variables	Dependent Variable
	Corporate Image
Customer Satisfaction	0.734***
R^2	0.538
N	136
***p < .001 **p < .01 *p < .05	

Customer satisfaction appears to affect corporate image excessively (as observed in Table 7, b=0.734, p<0.001). The hypothesis that customer satisfaction affects corporate image is thus supported.

H5: There is positive relationship between customer satisfaction and corporate image

From Table 7 it can be inferred that customer satisfaction and corporate image have a strong and positive relationship between them. The Pearson's correlation coefficient is 'r' = 0.658. The hypothesis that customer satisfaction has a positive and strong relationship with corporate image is supported.

H6: There is a positive effect of customer loyalty on business performance.

Table 8 shows that customer loyalty is positively associated with business performance. Customer loyalty appears to affect customer loyalty extraordinarily (b=0.958, p<0.001). The hypothesis that customer loyalty affects business performance is supported.

Table 8: Effect of customer loyalty on business performance:
Standardized regression coefficients

Independent Variables	Dependent Variable
	Business Performance
Customer Loyalty	0.958***
R^2	0.917
N	136
***p < .001 **p < .01 *p < .05	

6. Implication of the study, limitations and suggestions

The findings of this study can be useful for bank managers seeking to enhance their business performance through improvements in the quality of services as a means of retaining customers and attracting new ones. An understanding of a bank's current level of service quality can be the basis of a diagnostic evaluation of what actions and decisions have to be taken to create changes which will transform the operations and image of the bank. Where an organisation desires to improve its corporate image and its profits, it can consider practical measures, including customer service training for its employees, customer-need satisfaction products and services, and competitive pricing. It can also consider measures like visual merchandising to enhance customer experience while using the service. Perks can be offered to employees to motivate them to offer their services more efficiently. Methods like TQM and Kaizen can be

implemented to enhance the employees' working environment thus raising the standard of service quality being delivered to the customers of the bank.

The study was based on data collected from a relatively small sample of 136 respondents. A larger sample may produce more useful and reliable findings that managers can more confidently rely on. While this study was confined to the banking sector in Gwalior, India, the methodology, including the questionnaire, can be applied to larger and comparison studies, either in the same or other business sectors. Other research extensions can include more variables, beyond an examination of corporate image and business performance. A related study can also be conducted to investigate service quality recovery.

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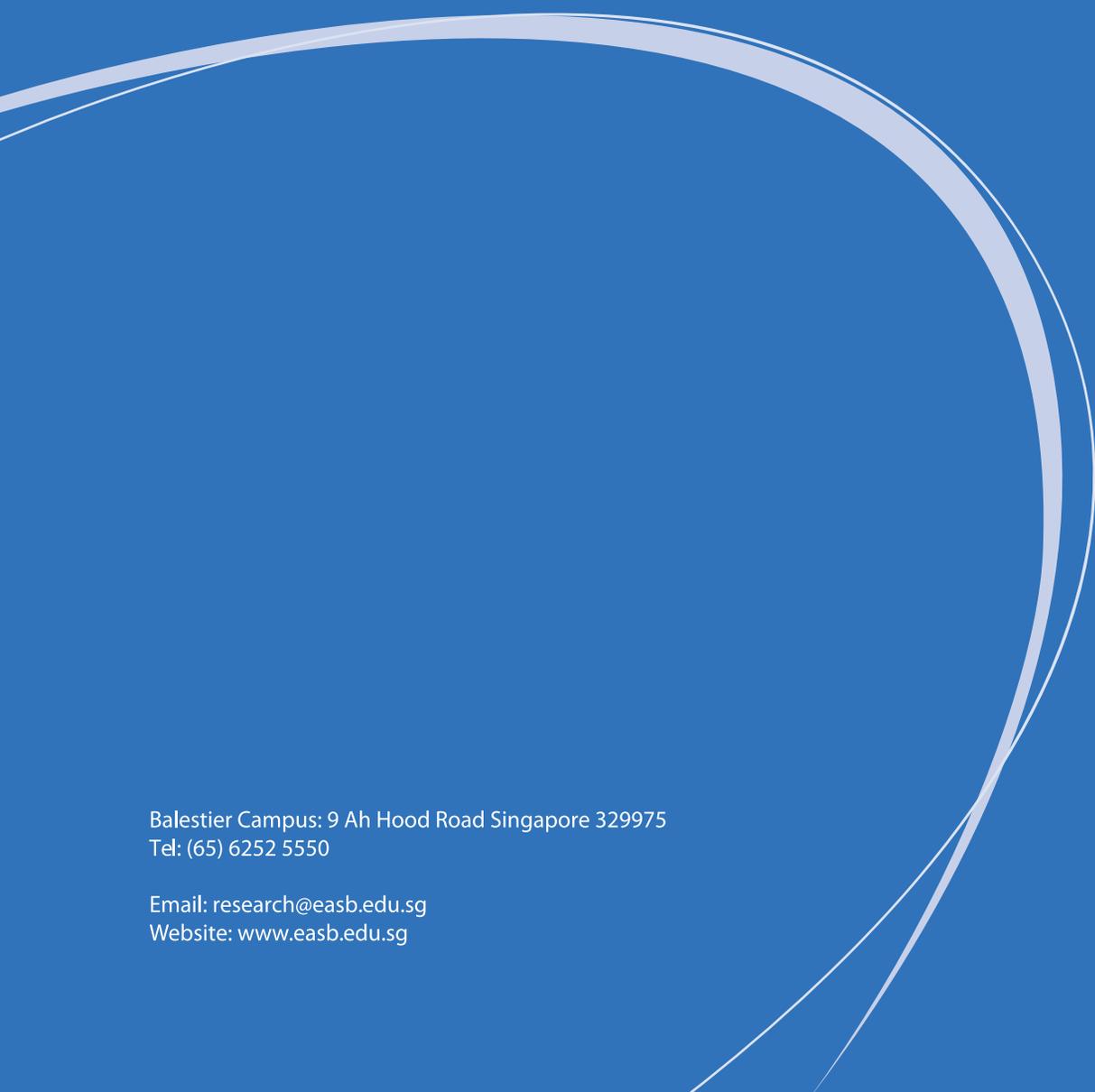
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