Developing a multidimensional and hierarchical service quality model for the travel agency industry

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Abstract

This paper develops a comprehensive model measuring service quality in the travel industry based on an extensive literature review and qualitative and empirical research. Following Brady and Cronin’s [2001. Some new thoughts on conceptualizing perceived service quality: A hierarchial approach. Journal of Marketing 65(July), 34–49] conceptualization, we propose a multidimensional and hierarchical model of service quality. In this model, service quality is a third-order construct which is composed of several dimensions and subdimensions. Our findings show that customers’ perceptions of service quality of travel agencies consist of three primary dimensions: personal interaction, physical environment and outcome, which are defined by seven subdimensions: conduct, expertise, problem solving, equipment, ambient conditions, waiting time and valence. Our model has important implications for the measurement of service quality in this specific industry as well as for the development of valid measures of quality performance in the context of services.

Keywords: Service quality; Travel agencies industry; Multidimensional and hierarchical structure

1. Introduction

Travel agencies in Spain are currently facing a rapidly changing environment where substantial transformations are bound to take place. As a consequence, the development of new strategies is essential in order to obtain long-term competitive advantage (Millán & Esteban, 2004). Proving high quality service is increasingly recognized as a critical factor in the success of firms in the travel and tourism industry (Fick & Ritchie, 1991). Travel agencies need to assess their service quality in order to identify the level of service quality in the travel business and the key drivers for service quality improvements. The majority of studies that measure travel agencies’ service quality use the SERVQUAL approach (Johns, Avci, & Karatepe, 2004; Lam & Zhang, 1999; Ryan & Cliff, 1997). However, this approach has been substantially criticized, especially with regard to its expectations component and its dimensionality (Buttle, 1996). Moreover, SERVQUAL or SERVPERF, as very general instruments, are inadequate to assist travel agencies in making satisfactory service related decisions as the dimensionality of service quality is dependent on the type of service offered (Babakus & Boller, 1992).

Instead of using an existing approach based on SERVQUAL, we develop an instrument tailored to specific travel agencies’ service needs. Such an approach is in accord with Brady and Cronin’s (2001) multi-level proposal. They suggest that customers form their service quality perceptions on the basis of performance evaluations on multiple levels. Customers ultimately combine these evaluations, resulting in an overall service quality perception.

The aim of this study is to develop a comprehensive model to measure service quality in the Spanish travel industry based on Brady and Cronin’s (2001) conceptualization. The contribution of this paper is twofold. Firstly, we conceptualize and measure travel agencies’ service quality by using a multidimensional and hierarchical