

## **Aggregated Service Excellence: A hybrid approach for measuring the quality of services in retail banking service delivery**

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**ABSTRACT** The UK retail banking sector in the recent years has witnessed a significant transformation in service delivery due, in large part, to the advancement in technology and innovations. Many on-site banking services are now delivered through technology-based service delivery channels such as Self-Service Kiosks and Automated Teller Machines. The quality of services offered by retail banks plays a key role in enhancing their market competitive positions. This paper proposes a hybrid approach for measuring qualities of traditional and automated on-site retail banking services. The authors carried out a comprehensive chronological review of literature, 36 papers, in service quality and service excellence, marketing and related topics. The review found a lack of distinctive frameworks for measuring on-site banking services delivered through traditional and automated channels. The authors evaluated—and diligently revised—the existing main models for measuring the quality of services in the retail banking sector. The authors proposed two hybrid frameworks, traditional and automated service quality measurements, by rationally combining and aggregating the dimensions SERVQUAL and Service Excellence Model. The proposed frameworks consist of wider dimensions than, arguably, well-known existing models of service quality measurements.

*Keywords:* Service Quality, Service Excellence, Aggregated Service Excellence, Aggregated Automated Service Excellence, Aggregated Traditional Service Excellence, Customer Satisfaction

### **Introduction**

The United Kingdom retail banking sector has witnessed a significant transformation in the recent years. This transformation has covered almost every operation and activity of retail banks, from the uncertainly in economic and political environments to regulatory requirements, and to customers who continue to demand ‘greater personalisation combined with excellent customer service’ (KnightFrank, 2018, p.4). Arguably, by far the most important transformation has been in customer service delivery, occasioned by technological innovation (Deloitte, 2015; Accenture, 2018), and a marked shift from traditional delivery methods to digital channels especially Self-Service Kiosks and Automated Teller Machines (see also Hira, et. al., 2010). This shift in service delivery methods and mechanism have resulted in what KnightFrank (2018) characterised as an increasing customer demand for personalisation and service excellence. An added pressure for the UK retail banks is market competition (Competition and Markets Authority, 2016), occasioned by the on-going disruption – caused by technology – in the retail banking sector (see Siciliani, 2018).

The increased market competition in the retail sector has propelled banks to find new ways of gaining a 'edge' over their competitors (see also Deloitte, 2015; Competition and Markets Authority, 2016). Literatures, for example, Parasuraman et al. (1988), Brady & Cronin (2001), Johnston (2004), and Padma & Wagenseli (2018), emphasise the criticality of quality of services for the success of retail corporate organisations. The services that retail organisations provide differ from product to product, due to attributes such as intangibility, heterogeneity, and inseparability of production and consumption (Parasuraman et al., 1985); thus, the task of measuring the quality of services delivered by organisations is not often straightforward – since services are generally measured by the perceptions of service users. This latter line of thought commands unanimity among researchers in the literature (see for example, Parasuraman et al., 1988; Brady & Cronin, 2001; Johnston, 2004).

Measuring the quality of services in the retail sector is further challenging due to its strategic importance, particularly to those organisations such as retail banks that sell services. Service delivery process in the retail sector is rapidly transforming due to recent technological innovations and an increasing adoption of technology by service providers (Wirtz et al., 2018). Wirtz & Zeithaml (2018) predict that all services sectors will be hugely transformed in the coming years as technology becomes smarter, better, smaller, and cheaper. Sectors such as retail banking primarily sell services and are very competitive due to lack of significant product differentiation between operators (Alkibsi, 2011). Therefore, enhancing the quality of services is often deemed as a viable marketing strategy for retail banks to enhance their sustainability (Al-Hawari et al., 2009; Al-Eisawi, 2014). According to Gouthier et al. (2012), higher quality of services contributes to increased customer loyalty, as are employee loyalty and pride, customer satisfaction, customer commitment and brand love (Padma & Wagenseli, 2018).

Numerous attempts have been made to conceptualise service quality in order to achieve accuracy in the measurement of services delivered by organisations. For example, researchers such as Gronroos (1984), Parasuraman et al. (1988), Cronin & Taylor (1992), Berry et al. (1994), Rust & Oliver (1994), Dabholkar et al. (1996), Santos (2003), and Johnston (2004, 2007), modelled 'the' subjective nature of service quality, but their models lack wider or unanimous acceptance among researchers. According to Al-Eisawi (2014), the lack of unanimity is due to different researchers' attempts to measure the quality of services from different perspectives and contexts.

Nonetheless, a gradual shift in understanding quality of services delivered in retail banking can be observed in the literature. Earlier researchers such as Gronroos (1984), Parasuraman et al. (1988), and Cronin & Taylor (1992) emphasise the concept of perceived service quality (PSQ) whilst later subject experts including Johnston (2004, 2007) and Al-Eisawi (2014) focus on the concept of perceived service excellence (PSE).

Upon evaluating the strategic relevance of both PSQ and PSE to retail banking sector, this paper conceptualises a time-relevant service excellence measurement framework – perceived aggregated service excellence (PASE). The framework focuses on measuring customer perceptions of PASE to understand customers' judgements on the ability of a service provider to deliver excellent services. The following steps are operationalised in the construction of the PASE measurement scales.

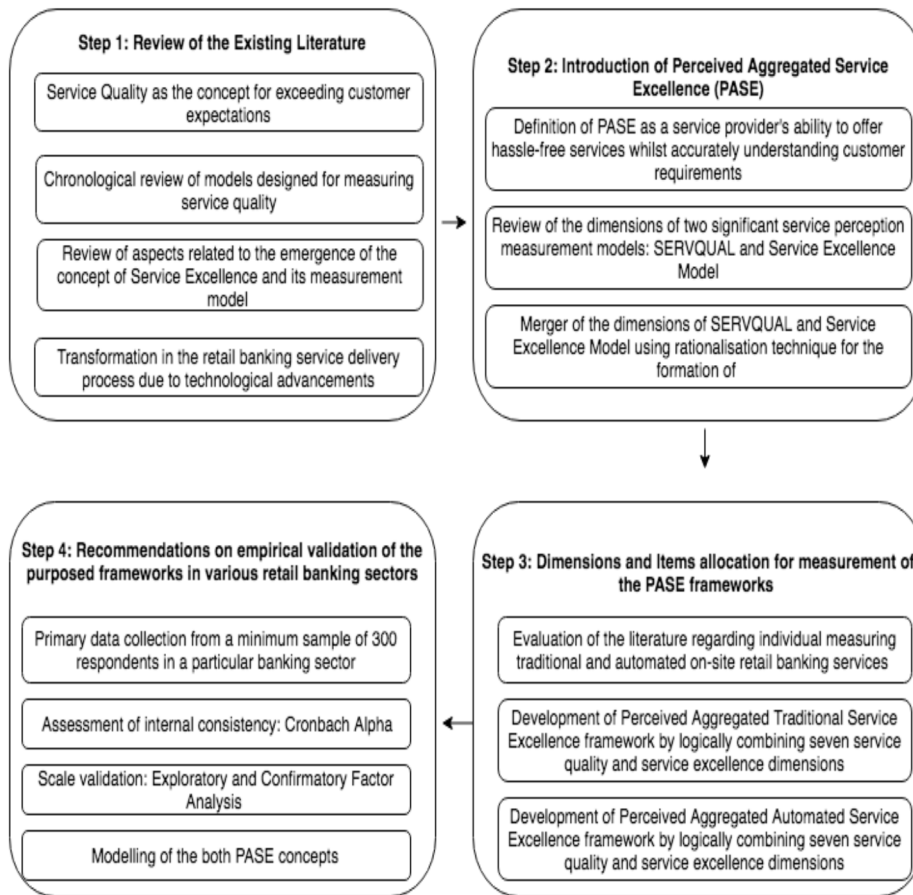


Figure 1: Steps followed during development of the PASE Frameworks

## Theoretical Underpinnings

### *Perceived Service Quality*

Sasser et al. (1978) were amongst the earliest researchers to define PSQ. They highlighted factors such as attitude, completeness, condition, security, availability, and training of service providers as major determinants PSQ. Though the diversity in terms of defining PSQ can be observed in the literature, it is generally defined as customers' perceptions on how well a service provider is meeting their requirements and exceeding their expectations (Parasuraman et al., 1985, 1988, 1994; Moore, 1987; Lewis, 1989). Arguably, offering a static definition for PSQ is difficult as expectations of customers may differ based on their individual circumstances and requirements. Moreover, customer expectations can fluctuate over time, which further makes it difficult to standardise a definition for PSQ.

Though the concept of PSQ was already a known phenomenon, it was first modelled by Grönroos's (1984) as a combination of three distinctive dimensions: technical quality, functional quality, and corporate image. Grönroos' conclusion was that PSQ can be measured by evaluating technical quality (what – customer evaluations of

services delivered), functional quality (how – the way services are delivered), and corporate image of the organisation.

Likewise, Parasuraman et al. (1985, 1988) were other significant contributors to the concept of PSQ. They modelled a GAP model based on the finding of their exploratory research. Their model initially contained ten dimensions, namely reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/knowing the customer, and tangibles (Parasuraman et al., 1985). However, in a subsequent research, Parasuraman et al. (1988) proposed changes to the GAP model by rebranding it as SERVQUAL after quantitatively studying four different financial and technological institutions. SERVQUAL contained five distinctive dimensions, namely tangibles, reliability, responsiveness, assurance, and empathy. While the last two dimensions covered seven dimensions of the GAP model namely communication, security, credibility, competence, courtesy, understanding/knowing customers, and access.

Upon introduction, SERVQUAL attracted a great deal of attention from service marketing researchers, but it was criticised for its ambiguity in defining expectations and inapplicability in different industries (Cronin & Taylor, 1992; Teas, 1994), and its limited dimensionality (Lam, 1995). In fact, Cronin & Taylor (1992) proposed a performance-based SERVPERF model for measuring PSQ highlighting the difficulties associated with the accurate measurement of customer expectations through the SERVQUAL framework. The SERVPERF model, which was empirically validated in banking, pest control, dry cleaning, and fast food sectors comprised of dimensions such as expectations, performance, importance, future purchase behaviour, overall quality, and satisfaction. Brady et al. (2002) referred to SERVPERF as the most superior among all PSQ models – because it explains more variations in PSQ than SERVQUAL. Notably, SERVPERF model has a stronger empirical foundation as it was developed based on a relatively larger and random sample size whilst SERVQUAL was developed relying on convenience sampling techniques.

Additionally, SERVQUAL was also criticised for its inapplicability in retail settings. Considering the need of developing a model that can accurately measure PSQ of organisations that offer both products and services (i.e., retail stores), Dabholkar et al. (1996) proposed an empirically validated multi-level model called Retail Service Quality Scale (RSQS). The model was made of five dimensions, namely reliability, personal interactions, physical aspects, problem-solving, and policy.

Similarly, Brady & Cronin (2001) proposed a hierarchical service quality model for measuring PSQ highlighting the difficulties associated with psychometric measurement of the gap between expectations and perceptions whilst using SERVQUAL. The three main dimensions of the hierarchical model, namely interaction quality, physical service environment quality, and outcome quality were validated following quantitative empirical studies. The interaction quality was measured based on attitude, behaviour, and expertise; physical environment quality was determined on the basis of ambient conditions, design, and social factors; and outcome quality was determined by valence, waiting time, and tangibles.

Researchers have also given emphasis on the rise of e-service delivery channels following the increased popularity of the internet. Due to the increase in the proportion of services delivered through electronic medium (i.e., websites) and the Internet of Things, there is an equal emphasis on the need to measure services individually. The e-service quality model of Santos (2003), which was developed after studying UK online shoppers, consisted of six dimensions, namely reliability, efficiency, support, communication, security, and incentive.

The above review illustrates the repeated attempts in developing models for measuring PSQ across different sectors. As the literature indicates, a SERVQUAL aspect – exceeding customer expectations – is considered impracticable as it is not only hard to accurately determine (Cronin & Taylor, 1992) but also unachievable in long term whilst, at the same time, difficult to operationalise (Johnston, 2004). Despite the criticisms, however, SERVQUAL remains one of the most widely applied scales in service marketing studies (Yarimoglu, 2014) – for the simple reason that PSQ was one of the earliest models and have provided a basis for subsequent models over the years.

Nevertheless, retail service delivery is not the same today as it was 30 years ago, due mainly to constantly evolving and advancing technologies. Schneider (2017) highlights that 85 per cent of all customer-service provider interactions will take place without a human agent by 2020 or thereafter (see also Intel, 2017; Ernst & Young, 2018). Consequently, SERVQUAL and the concepts of PSQ are increasingly seen as inadequate measurements of the level of customer perceptions in retail sectors, especially retail banking, as most institutions have already achieved PSQ, which no longer provides them with a competitive edge over competitors (Al-Eisawi, 2014). In fact, researchers such as Johnston (2004, 2007), Gouthier et al. (2012), and Al-Eisawi (2014) recognised the transformation in the service delivery process and emphasised the need for reassessment of the PSQ concepts. Johnston (2004, 2007) introduced a new model called service excellence model for measuring the perceived excellence of service received by customers. The authors asserted that the concept of ‘customer delight’ is superior to the concept of ‘exceeding expectations’ for increasing customer satisfaction.

#### *Perceived Service Excellence*

The concept of PSE was first introduced by Johnston (2004) as a superior alternative to PSQ arguing that excellent services can be delivered by simply being ‘easy to do business with’ (p.131). Johnston (2004) asserted that the idea of exceeding customer expectations for delivering excellent services is ‘inappropriate, unachievable in long term, and difficult to operationalise’ (p. 130) because not only consistent and accurate determination of customer expectations is difficult, but also delivering unexpected and surprising services can increase the costs of services delivered. Eventually, the latter may lead to customers perceiving they were being charged a higher price for the same services! Realistically, customer expectations are subjective in nature and different customer may have different expectations, hence the task of consistently exceeding something that is not static is extremely challenging, sometimes impossible. Johnston (2004)’s exploratory qualitative research in banking and public services revealed that excellent services can be determined by a service provider’s ability to deliver the promise, providing a personal touch to customers, going the extra mile to help customers, and dealing well with problems and queries.

As observed, the dimensions of PSE model are significantly different from those of PSQ models – indeed, the former emphasise the importance of personal interactions, which could be one of the major critical success factors in the current technology-driven retail banking sector.

The face of modern service delivery has been transformed since the introduction of the SERVQUAL, primarily because of technological innovations (Martins et al., 2014). Further transformation is imminent, with possibilities of dramatic change in the service industry due to improvements in technologies such as artificial intelligence (AI), cloud, big data, biometrics, and mobile (Wirtz et al., 2018, Intel, 2017; Ernst &

Young, 2018). Therefore, the idea of PSE is considered more relevant in the modern service sectors, particularly retail banking where the quality of services delivered plays a crucial role in satisfying customers.

Unquestionably, Johnston (2004, 2007)'s PSE model offers new insights and it could be overly valuable to the current technology-driven service industry. However, the added insights clearly seem insufficient in persuading service marketing researchers that the PSE model is a viable method for measuring and enhancing customer perceptions of service excellence. Primarily, this could be due to the PSQ models consisting far richer and wider dimensions in comparison to the PSE model.

Moreover, different types of service delivery channels, traditional and automated, consist of different characteristics – hence the need for individual measurement. Although both PSE and PSQ have failed to explicitly offer individual measurement frameworks for services delivered through traditional and automated channels, the possibility of effectively measuring such is higher with PSQ models, particularly SERVQUAL, due to its wider dimensions and inclusion of measures such as responsiveness, reliability, and tangibles. In fact, attempts to measure, individually, automated and traditional SQ perceptions were made by Al-Hawari et al. (2006, 2009).

Retail banking sector, particularly in the UK, is very competitive (Deloitte, 2015; Competitions and Markets Authority, 2016) with limited possibilities of product differentiation (Al-Eisawi, 2014), therefore, the need for thinking beyond PSQ is also recognised in this research.

### **Methodological Approach**

This study chronologically reviews literatures concerning the developments in the field of service quality and service excellence to propose a concept that can measure the level of service perceptions in the technology-driven banking sector more accurately.

Keywords, terms and phrases such as service quality, customer service quality, service quality perceptions, service excellence, service quality measurements, service measuring scales, service measuring models, etc were used in searching a total of 36 relevant articles from databases such as Emerald Insights, Science Direct, Scopus, Academic Search (EBSCO), JSTOR, and Google Scholar.

Some of the main and most widely used service quality models such as the Gronroos model (1984; see also Grönroos, 1982a, 1982b, 1988), Service Quality GAP model (Parasuraman et al., 1985), internal service quality model or INTSERVQUAL model (Frost & Kumar, 2000), the Extended Gap Model (Luk & Layton, 2002), SERVQUAL Model (Parasuraman et al., 1988), SERVPERF Model (Cronin & Taylor, 1992), and Hierarchical Model (Dabholkar et al., 1996; Brady & Cronin, 2001).

Others include context-specific quality service models such as E-Service quality measurement (Santos, 2003), Hierarchical model of health service quality (Dagger et al., 2007), kuo's (2011) airlines service quality evaluation model, and Liou & Tzeng's (2007) non-additive model of airline service quality, among others were reviewed, analysed, and evaluated to conceptualise the proposed frameworks.

### **Proposed Frameworks**

The review above highlighted the need to conceptualise new measurements for service perceptions in the highly- competitive UK retail banking sector. Clearly, service delivery processes have been transformed since the introduction of SERVQUAL and

SERVREF model, and the mere four dimensions of the PSE model seem insufficient for measuring complex subjective phenomena such as customer perceptions. Therefore, this paper proposes a new hybrid method called perceived aggregated service excellence (PASE) for effectively measuring service perceptions in the fiercely-competitive UK retail banking sector. This hybrid mechanism acknowledges the relative importance of both prominent service perceptions measurement concepts, and rationally combines them for the individual measurement of automated and traditional PASE.

### *Conceptualisation of Perceived Aggregated Service Excellence*

As already discussed, PSQ is defined as matching customer requirements as well as exceeding their expectations (Parasuraman et al, 1985, 1988, 1994; Moore, 1987; Lewis, 1989), whereas PSE is defined as achieving satisfied customer by simply being easy to do business with (Johnston, 2004, 2007). Both theories are important for achieving delighted customers in a fiercely competitive retail banking sector as just by being easy to do business with, it may not always be possible for a retail bank to differentiate itself from competitors. Customers' requirements also need to be accurately understood and matched whilst keeping the costs of services in mind in order to 'delight' them. Besides, customers' expectations also need to be exceeded from time-to-time in order to enhance their perceptions of service excellence.

The second aspect of the SERVQUAL model is 'exceeding customers' expectations.' Regarding this, a significant amount of debate between Parasuraman et al. (1994) and Cronin & Taylor (1994) can be observed in the literature after the introduction of SERVREF model by Cronin & Taylor (1992) as an alternative to the SERVQUAL model of Parasuraman et al. (1985). Upon the introduction of the SERVREF model, it was criticised by Parasuraman et al. (1994) as a model that lacks substance. In retaliation, Cronin & Taylor (1994) asserted that the inclusion of the expectation aspect in a PSQ model is 'inappropriate and unnecessary' (p. 125). Nonetheless, Cronin & Taylor (1994) did recognise the 'unique effect' (p.125) expectations can have on consumer perceptions of service quality; however, its inclusion in the model makes the measurement of PSQ extremely difficult.

The second part of this paper reviewed the PSE model of Johnston (2004) where he too criticises the customer expectations aspect of the SERVQUAL model arguing it is 'difficult to operationalise' (p.130). Considering the above arguments, the PASE is developed as a performance-only concept and is defined as in the context of retail banking as follows:

*Perceived Aggregated Service Excellence is a retail bank's ability to offer hassle-free services whilst accurately and consistently understanding and matching customers' requirements.*

Previous studies on the subject have ambiguously measured service perceptions related to both automated and traditional service delivery channels (SDC) using the same framework. Al-Hawari et al. (2006, 2009), however, acknowledged the need for measuring the quality of services delivered through traditional and automated banking service delivery channels individually. Indeed, it is essential to measure PASE related to different banking SDC individually as not only different SDC function differently but also customers have different expectations from each of them. Though the key measures may not be hugely different, it is essential to acknowledge different characteristics of each SDC to facilitate accurate measurements.

Since technology-based on-site banking SDC such as Self-service Kiosks (SSK) and Automated Teller Machines (ATM) now deliver a substantial proportion of retail bank services, and the characteristics of human-based SDC, or Human Tellers, and technology-based SDC are different, two distinct measurement frameworks, namely perceived aggregated traditional service excellence (TSE) and perceived aggregated automated service excellence (ASE) are proposed in this paper for measuring excellence of services delivered via each channel individually.

#### ***Perceived Aggregated Traditional Service Excellence***

Traditional services refer to services that are delivered directly by frontline employees or Human Tellers (Al-Hawari et al., 2006, 2009). This type of services requires interpersonal interactions, which can be useful in developing emotional bonding between a service provider and its customers (Schneider & Bowen, 1985). Arguably, effective personal interaction is now an integral part of traditional service delivery, which is reflected in the PSE model developed by Johnston (2004, 2007).

The assessment of the PSE model in the UK retail banking sector by Al-Eisawi (2014) concluded that all four dimensions contribute to enhancing customer perceptions of SE. Additionally, factors such as reliability and responsiveness of employees, and infrastructures related to service delivery also play vital roles in determining the excellence of services delivered (Wong et al., 2008). Upon considering literature evidences, a framework is proposed for the measurement of TSE by logically combining the dimensions of PSE and PSQ. Two performance-based dimensions of the SERVQUAL/SERVPREF – assurance and empathy – were excluded because of their similarity to dimensions of the PSE model.

The table 1 on page 83 presents the proposed dimensions and the measurement items for measuring TSE of a retail bank.

#### ***Perceived Aggregated Automated Service Excellence***

Automated banking services include services delivered via technology-enabled channels such as SSK, ATM, and Internet Banking (Al-Hawari et al., 2006, 2009). Since this paper focuses precisely on on-site retail banking services, features of SSK and ATM were considered in conceptualising ASE.

Evidently, both PSQ and PSE models failed to consider two integral aspects of automated service delivery contexts, namely training and service recovery. Robertson (2013) suggested that providing effective training to customers on how to use automated channels enhances their [customers] perceptions of services delivered. Similarly, Berry et al. (1994) asserted that poor service delivery can be overcome by effective service recovery strategies in automated service delivery contexts, and such strategies play key roles in enhancing customer perceptions of services delivered.

With foregoing in mind, the following measurement dimensions and the measurement items are proposed to measure ASE of a retail bank.

The table 2 on page 84 presents the proposed dimensions and the measurement items for measuring ASE of a retail bank.



Table 1: TSE Measurement Framework

Concept	Dimensions	Measurement Items
Perceived Aggregated Traditional Service Excellence (TSE)	Delivering the promise	<ol style="list-style-type: none"> <li>1. Bank does what it says</li> <li>2. Bank does not let customers down</li> <li>3. Bank gives what customers want, not what it wants</li> <li>4. Customers are not disappointed</li> <li>5. Customers' are heard</li> </ol>
	Personal touch	<ol style="list-style-type: none"> <li>6. Customers are given the time</li> <li>7. Staffs know about customers personally</li> <li>8. Customer-employee interactions feel like a relationship than a transaction</li> <li>9. Customers are treated as individuals</li> <li>10. Employees make eye-contact and smile, and they mean it</li> </ol>
	Going the extra mile	<ol style="list-style-type: none"> <li>11. Bank goes out of its way to help customers</li> <li>12. Issues are explained</li> <li>13. Employees provide some little touches to make customers feel special</li> <li>14. Employees are always eager to help</li> </ol>
	Dealing well with problems and queries	<ol style="list-style-type: none"> <li>15. Employees take responsibility</li> <li>16. Employees are happy and willing to sort problems out</li> <li>17. Problems are resolved promptly and in a hassle-free way</li> <li>18. Employees trust customers</li> <li>19. Employees provide open and honest explanations</li> <li>20. Employees are knowledgeable and can resolve issues</li> </ol>
	Reliability	<ol style="list-style-type: none"> <li>21. Bank does things in a timely manner</li> <li>22. Bank is sympathetic and reassuring when customers face problems</li> <li>23. Services are dependable</li> <li>24. Bank provides services within the time they promise</li> <li>25. Services are accurate</li> </ol>
	Responsiveness	<ol style="list-style-type: none"> <li>26. Bank tells customers when services will be performed</li> <li>27. Customers can expect prompt services</li> <li>28. Employees are always willing to help</li> <li>29. Employees are efficient regardless of the time of the day</li> </ol>
	Tangibles	<ol style="list-style-type: none"> <li>30. Bank has up-to-date equipment</li> <li>31. Physical facilities are physically appealing</li> <li>32. Employees are well dressed and appear neat</li> <li>33. Appearance of physical facilities are relevant to the services offered</li> </ol>

Sources: compiled from Parasuraman et al. (1988); Johnston (2004); Yarimoglu (2014)

Table 2: ASE Measurement Framework

Concept	Dimensions	Measurement Items
Perceived Aggregated Automated Service Excellence (ASE)	Delivering the promise	<ol style="list-style-type: none"> <li>1. Bank does what it says</li> <li>2. Bank does not let customers down</li> <li>3. Bank gives what customers want, not what it wants</li> <li>4. Customers are not disappointed</li> <li>5. Customers' are heard</li> </ol>
	Going the extra mile	<ol style="list-style-type: none"> <li>6. Bank goes out of way to help customers</li> <li>7. Issues are explained</li> <li>8. Employees provide some little personal touches to make customers feel special</li> <li>9. Employees are always eager to help</li> </ol>
	Service Recovery	<ol style="list-style-type: none"> <li>10. When self-service machines fail to work properly, there is always someone available to help</li> <li>11. Apology is offered after self-service machines fail to function or work adequately</li> <li>12. Issues are resolved with priority after the failure</li> <li>13. Customers did not feel let down despite failure of the self-service machine</li> </ol>
	Training	<ol style="list-style-type: none"> <li>14. Instructions are provided on how to use self-service machines when necessary</li> <li>15. When there is a system upgrade, customers are informed and made aware about the changes</li> <li>16. Someone is always available there when a customer need help in using self-service machines at hand</li> </ol>
	Reliability	<ol style="list-style-type: none"> <li>17. Bank does things in timely manner</li> <li>18. Bank is sympathetic and reassuring when customers face problems</li> <li>19. Services are dependable</li> <li>20. Bank provides services within the time the promised</li> <li>21. Self-service machines provide accurate services</li> </ol>
	Responsiveness	<ol style="list-style-type: none"> <li>22. Bank tells customers when services will be performed</li> <li>23. Customers can expect prompt services</li> <li>24. Employees are always on hand and willing to help</li> <li>25. They are efficient, even during busy time</li> </ol>
	Tangibles	<ol style="list-style-type: none"> <li>26. Bank has up-to-date equipment</li> <li>27. Physical facilities are physically appealing</li> <li>28. Employees are well dressed and appear neat</li> <li>29. Appearance of physical facilities are relevant to the type of services offered</li> <li>30. Self-service machines are fast and efficient</li> <li>31. Self-service machines are personalised to the need of customers</li> </ol>

Sources: compiled from Parasuraman et al. (1988); Berry et al. (1994); Johnston (2004); Robertson (2013); Yarimoglu (2014).

The foregoing ASE conceptualisation includes two performance-based dimensions of the SERVQUAL/SERVPREF models and three dimensions of the PSE model. Automated SDCs, in their current form, are unable to comprehend human emotions and are unable to assist customers with complex queries, thus it will be irrational to measure them under dimensions such as personal touch, dealing with problem and queries, assurance, and empathy.

PSE-related items delivering the promise and going an extra mile is retained by interpreting a bank's ability to deliver the promise and consistency in going extra mile for serving automated SDC users, which can play important roles in enhancing customer perceptions of ASE. Likewise, two automated SDC-related factors such as responsiveness and reliability (Narteh, 2015) and tangibles (Al-Hawari et al., 2009) are retained due to previous studies confirming their association with PSQ in the banking sector.

## Discussion

The foregoing section proposed two distinctive conceptualisations for measuring traditional and automated PASE individually. Both conceptualisations are context-specific and expected to serve their purpose accurately. Although literature evidence suggest that previous researchers have adopted PSQ or PSE models unanimously for measuring service perceptions related to traditional and automated SDC, the continued use of such models may fail to accurately measure service perceptions in the current UK retail banking sector where most of the banking services are delivered through technology-assisted mediums (Statista, 2015).

The two proposed frameworks in this paper are performance-based methods for measuring the quality of on-site services offered by retail banks. As outlined by Cronin & Taylor (1992) and Johnston (2004), it is indeed difficult to operationalise the GAP and SERVQUAL model of Parasuraman et al. (1985) as they require measurement of customer expectations. Therefore, the authors made a decision to propose conceptualisations that measure customer perceptions of PASE solely based on the performance of service providers during service delivery to ensure that service providers adopt the proposed frameworks with ease. The proposed frameworks are time-relevant as they are not strictly bound to the dimensions of the PSQ and PSE models; rather, they incorporate findings of more recent studies especially on customers training (see, for example, Robertson, 2013).

The proposed frameworks in this paper are yet to be statistically validated be it in the UK retail banking sector or globally. Despite this lack of empirical validation of the dimensions, the frameworks, in the authors' view, offer new and valuable insights to service providers by making them aware about customers' different requirements when services are offered through different channels. The frameworks also highlight the importance of consistent engagements with customers which is essential for understanding their requirements, personalising services, and offering hassle-free services that can, ultimately, lead to enhanced customer perceptions of service excellence and increased customer satisfaction.

## Implications of the Frameworks Service Delivery

Both TSE and ASE frameworks are comprehensive and logically capture the fruitfulness of both PSQ and PSE concepts. They are also context-specific and offer in-depth insights by clearly distinguishing different services based on their attributes, offering

individual and adequate measurement approaches. Majority of the revenues of organisations such as retail banks are generated by selling services – hence excellent service is key to their sustainability and long-term success.

The proposed frameworks add value to retail banks by assisting them to accurately understand the level of services they are offering to their customers. Applying the proposed frameworks will allow retail banks to identify the specific areas for improvement leading, eventually, to improved quality of services and increased customer satisfaction.

### **Limitations of the Frameworks**

The main limitation of the proposed frameworks is that it has not been empirically validated. Although the two frameworks were established by rationally combining two well-established and empirically-validated service perception measurement models, their credibility could be further enhanced by modelling them into various retail-banking sectors to identify empirical supports. Another limitation is that the conceptualisations of the two frameworks are context-specific and may not, on their own, accurately measure the level of service perceptions of the entire UK retail banking sector.

### **Suggested Future Research Direction**

As previously stated, the proposed measurement scales require empirical validations before their wide adoption for measuring PASE in retail settings. To do so, it is recommended that the banking sector-specific data is collected by adopting random sampling techniques, preferably with a large sample to enhance the generalisability of the models (see Saunders et al., 2016). Once data is collected the internal consistency of the variables or measurement scales can be assured, for example, with the use of Cronbach alpha. Subsequently, factor analysis can be conducted for assessing the validity of the two proposed models, to ensure that the models are indeed capable of accurately measuring PASE.

### **Conclusion**

Unquestionably, the advancement in technology and innovations in the recent times have transformed service delivery in the UK retail banking sector. This transformation has led to discussions on whether the way in which the level of service perceptions is measured needs some reassessment. Though this phenomenon is not widely discussed in the literature, it is about time service marketing researchers think beyond the conventional PSQ measurement models, SERVQUAL and SERVPREF, which were introduced nearly three decades ago.

Literature evidence suggested that a handful of researchers proposed new models for measuring service perceptions as alternatives to PSQ models, yet a majority of researchers and subject experts are still reliant on the PSQ models, primarily SERVQUAL. The evaluations offered in this paper suggest that the popular adoption of SERVQUAL is due to its wider dimensions, as well as being one of the earliest PSQ models.

In an attempt to offer a time-relevant alternative to the conventional PSQ models, this paper proposes a hybrid conceptualisation – PASE, which is developed by combining the dimensions of PSQ and PSE, one of its well-recognised modern alternatives. The proposed PASE conceptualisations arguably have wider and richer di-

mensions than any of the previously available well-known models and are capable of measuring PASE perceptions related to the automated and traditional SDCs individually. However, the proposed frameworks are yet to be empirically validated.

Nonetheless, the theory of PASE and the framework vividly recognise the need for new models for measuring the level of service perceptions in current competitive and technology-driven service industries, which can only be achieved by imagining beyond the conventional PSQ models.

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