
Listening to the customer's voice: examining perceived service value among business college students

Gaston LeBlanc

University of Moncton, Moncton, New-Brunswick, Canada

Nha Nguyen

University of Moncton, Moncton, New-Brunswick, Canada

Keywords

Service, Value, Quality, Image

Abstract

This article examines the concept of service value in business education with data collected from 402 students of a small business school. A set of factors were found to impact on students' evaluation of value during their educational experience. More precisely, the results indicate that the relationship between price and quality, the knowledge acquired, the economic utility of a business degree, image, as well as social and emotional value, are important drivers of value in business education. Moreover, when comparing value judgements on the basis of gender and year of study, the results show that male students are more inclined to focus on social value during service consumption, and that females are more critical of the price/quality relationship as it relates to value. Overall, the results show that as students progress in their studies they are less likely to believe that a business degree will guarantee a good salary and career advancements. Conversely, a positive affective response toward the business school is observed over time. Implications for formulating strategies that promise to create and foster service value in business education are given.

The authors would like to acknowledge the financial support received from the Faculty of Graduate Studies (FESR), Université de Moncton, through which this study was made possible.

The International Journal of Educational Management
13/4 [1999] 187-198

© MCB University Press
[ISSN 0951-354X]

Introduction

In services marketing, many studies have relied mainly on customer satisfaction and services quality to describe customer evaluations of services (Bolton and Drew, 1994). Indeed, numerous researchers have focused their attention on measuring levels of customer satisfaction (Churchill and Surprenant, 1982; Myers, 1991; Oliver and DeSarbo, 1988; Peterson and Wilson, 1992; Tse and Wilton, 1988), and on identifying the dimensions used by customers in their evaluation of services quality (Carman, 1990; Gronroos, 1990; LeBlanc and Nguyen, 1997; Parasuraman *et al.*, 1988, 1991, 1994). More recently, marketing scholars have attempted to grasp and better understand the dynamics of the relationship that exists between satisfaction and service quality and their impact on customer purchase intentions (Bitner, 1990; Bolton and Drew, 1991a,b; Cronin and Taylor, 1992; Taylor and Baker, 1994). This decade, the concept of value has also emerged as an important higher order construct linked to quality and price (Zeithaml, 1988), and to the survival of many organisations (Grewal *et al.*, 1998). Indeed, in the present competitive environment, the offering of value-added products and services has become a key ingredient for success (Barich and Kotler, 1991; Rust and Oliver, 1994) where value is considered to be a determining force guiding the customers' retention decisions (Gassenheimer *et al.*, 1998).

Despite the importance of perceived service value as a major form of customers' assessment of services, the services marketing literature reveals that there has been limited work undertaken on understanding the precise nature of the construct and its impact on customer behaviour (Holbrook, 1994). Understanding how customers evaluate

The current issue and full text archive of this journal is available at
<http://www.emerald-library.com>

value during their service consumption experience remains a key issue facing the academy, and empirical work on the identification of the cues that signal value appears warranted (Sheth *et al.*, 1991). A case in point is business schools which are faced with a major funding crisis, rising tuition fees, and criticism directed at curricula, teaching methods, and academic research (Cannon and Jagdish, 1994). Given this situation, administrators and faculty alike are attempting to revise operating procedures and review teaching methods in an effort to deliver services that promise to add value to students and industry. A focus on value and a better understanding of the process by which students evaluate and derive value from their educational experience appears justified in light of these realities (Stafford, 1994). Indeed, understanding value from the customers' perspective can provide useful information to management for allocating resources and designing programs that promise to better satisfy students (Seymour, 1992) and for adapting the business school's environment to the needs of students (Hampton, 1993). As a consequence, this should elicit positive emotional responses from students with regard to their business school and generate positive word of mouth (Fitzgerald Bone, 1995; Hirschman and Holbrook, 1982). Hence, the objectives of this study are to gain more insights into the dimensions used by business students when they consider value and to identify which cues are more important to them in their judgement of value. The study investigates differences in students' assessments of service value based on gender and study level. Recommendations for designing strategies that promise to foster value and positively effect the students' retention decisions are given.

This article is organized in four sections. First, a review of the literature related to the service value construct is presented. The multidimensional and situational nature of the construct are discussed. Second, the

methods employed are explained. Third, the results of the study are presented and discussed. Finally, the managerial and research implications of the reported research are explained. In summary, the results show that functional value, in the form of students' perception of the price/quality relationship that exists at the business school, is an important driver of value. Similarly, value judgements are found to be related to the acquisition of knowledge, the image projected by the business school, emotional value and social value. Moreover, gender is found to impact on value perceptions where female students give less importance to social value. Interestingly, the results show that as female students progress in their area of specialisation, they tend to believe that the price/quality relationship deteriorates at the business school.

Review of the literature

The search for a precise definition of value has proven to be an arduous task for many researchers. Value is considered to be a key outcome of the consumption experience (Holbrook, 1986), and conceptualizations of the construct can vary according to the context of a given study (Dodds *et al.*, 1991). According to Schechter (1984), customers may derive value from all qualitative and quantitative factors which make up the consumption experience. In the literature, many researchers have described customers' evaluation of value as a function of the monetary and nonmonetary costs, such as the sacrifices associated with utilizing the product/service and the benefits or utility received in exchange (Doyle, 1984; Hauser and Urban, 1986; Sawyer and Dickson, 1984). From this perspective, value is both situational and personal and can take on different meanings at various phases of the service consumption process (Holbrook and Corfman, 1985; Zeithaml, 1988). This view is shared by Kotler and Dubois (1993) who propose a conceptual framework that identifies a series of potential determinants of service value such as monetary costs, contact personnel, service offering, image, and the energy and psychological effort associated with obtaining the product/service.

In an extensive review of the literature, Zeithaml (1988) reports four customer definitions of perceived value: i.e. "value is low price, value is want satisfaction, value is the quality I get for the price I pay, and value is what I get for what I give". Several researchers have defined the value construct in terms of the customer's concern with the

quality received in comparison to the price paid for the product/service (Tellis and Gaeth, 1990). According to Rao and Monroe (1989), this value operationalisation is often applied in studies predicting consumer choice. Kiefer and Kelly (1995), for their part, found that when customers do not like their consumption experience, they remember price as being higher than it was and feel they did not get good value. Berry and Yadav (1996) argue that the key to improved services pricing is to clearly relate the price that customers pay to the value that they receive.

Babin *et al.* (1994) argue that value represents the tradeoffs between costs and benefits and arises from both quality and price. Rust and Oliver (1994), in their work on service value, indicate that value should increase as quality increases and price decreases. Although value can be conceptualized as depending on price and quality, they note that it is not yet well understood how these two variables interact to form value. In their study of long distance telephone services, Bolton and Drew (1991b), for their part, report that the most important determinant of value is quality. The authors note that perceived service value is different than quality and is a more comprehensive form of customer evaluation of service. Similarly, in another study of small business customers, Bolton and Drew (1992) found that service value was related positively to behavioural intentions. In a similar vein, Anderson and Sullivan (1993) note that other factors such as switching costs and switching benefits affect repurchase intentions. As such, value can be conceptualized as the overall evaluation of the service consumption experience (Holbrook, 1986, 1994); and, like quality and satisfaction, value can be encounter specific or a more enduring global evaluation (Rust and Oliver, 1994).

Sheth *et al.* (1991) have developed an important theory that explains the basic consumption values that guide consumers when they make the choices that they do. The authors view choice as a function of multiple independent consumption values that can vary in importance in various situations. Five consumption values – namely, functional value, social value, emotional value, epistemic value, and condition value – underlie the theory. Functional value is related to economic utility, the benefits associated with possessing the product/service (the economic person theory), and underlies the performance of the object on a series of salient attributes such as price, reliability and durability. Interestingly, in many studies, these cues have been identified as being determinants of quality (Peterson and

Wilson, 1985; Parasuraman *et al.*, 1988, 1991). Social value concerns the utility derived from the customers' association with certain social groups. The notice of friends and customers' association with members of reference groups (Park and Lessig, 1977) are deemed to play an important role in the consumer evaluation of product/services. Emotional value, for its part, is described as the ability of a product/service to arouse feelings or affective states and is measured on an ensemble of feelings toward the object. In marketing, affect is related to attitude formation in the familiar multi-attribute attitude paradigm and its role in customer evaluation of objects is generally thought to be under-researched (Hirschman and Holbrook, 1982; Young, 1996). Epistemic value is defined by Sheth *et al.* (1991) as the ability of a product/service to provide novelty and/or satisfy a desire for knowledge. Epistemic value is considered to be a key function of value and can influence behavioural intentions and switching behaviour (Zeithaml *et al.*, 1996). Finally, conditional value is described as the set of situations that the customer faces when making a choice. In this context, situational variables are deemed to have an impact upon the customer's assessment of the utility of the product/service (Belk, 1974). For example, the size of a business school and the parents' views with regard to its programs are situational variables which have the potential to influence the value of the educational experience.

This body of literature formed the basis for an exploratory study of perceived service value in a business education setting. The objectives of the study were to identify the cues that signalled value to students and to determine the relative importance of these cues in their evaluation of their educational experience. In addition, the study sought to determine the extent to which value judgements were influenced by gender and study level, i.e. the number of years the student had been in the business program.

Methodology

The literature review, a focus group interview held with a total of 16 students, along with discussions on the value of business education held with students in a services marketing class provided the basis for developing the questionnaire used in this study. For the group interview, participants from both sexes were selected, representing each year of the business program offered by the business school. Since students pay for their education and are experiencing the

various aspects of the service delivery system on a continuous basis, it was felt that they formed the logical group to use for generating value items. To this end, the general guidelines recommended for these interviews were followed (Fern, 1982). During these interviews, participants were questioned on various aspects concerning the services and facilities offered by the business school, and on how they evaluated the value of their education.

The questionnaire contained 33 consumption value dimensions each measured on a seven-point Likert type agreement scale that varied from 1=completely disagree to 7=completely agree. The items were related to different aspects of the business school's service offering, the quality of service, tuition fees, image, the perceived value of a business degree, emotional value, and social value. The 33 items used for measuring perceived service value are presented in the Appendix. After an initial pre-test, the questionnaire was distributed to a convenience sample of students. To select the sample, classes across the business school were stratified on the basis of department and class level, and questionnaires were administered in class near the end of the winter semester. The sampling yielded 402 usable questionnaires, which represents 65 per cent of the business school's student population.

A principal component factor analysis with varimax rotation was conducted on the 33 variables related to perceived service value. The analysis yielded a six factor solution that explained 63.1 per cent of variance. All factor loadings greater than 0.50, and all factors whose eigenvalue was greater than one were retained in the factor solution (Tabachnick and Fidell, 1989). To assess the reliability of measures, Cronbach's alpha was calculated for the variables retained for each factor, and coefficients greater than or equal to 0.70 were considered acceptable and a good indication of construct reliability (Nunnally, 1978). The six factors were then used in a regression analysis, where the dependent variable, measured on a seven-point Likert type scale, was the students' overall evaluation of the value of services offered by the business school, and the independent variables were the standardized factor scores created for each individual, corresponding to the six factors. An analysis of variance was then undertaken on each factor in order to determine if gender and study level had a significant impact on the students' value judgements. In this case, the mean factor scores were the dependent variables while gender and year of study were the independent variables. In this instance, when

the analysis of variance provided significant results (F prob. < 0.05), Scheffe's test for significant contrasts between groups were conducted to identify for the differences in value perceptions based on year of study.

Results

Of the 402 students who responded to the questionnaire, 57 per cent were male and 54 per cent were enrolled in the second and third year of the business program. A total of 44 per cent of respondents were in the general business program, while 15 per cent were accounting majors and another 15 per cent marketing majors. As for the degree of satisfaction with the services offered by the business school, 61 per cent said they were satisfied with the services received, and 66 per cent indicated they would definitely recommend the business school to others. Table I reports the profile of respondents in terms of the variables sex, year of program, and students' area of specialisation.

Table II reports the results of the factor analysis in terms of factor name, the variables loading on each factor, and the variance explained by each factor. The results of Cronbach's reliability coefficient are also shown. The six factors identified in Table II can be described as follows: Factor 1, "Functional value, want satisfaction", consists of items that are related to the economic utility associated with a business degree and its worth to students with regard to gaining future employment and attaining career aspirations. Factor 2, "Epistemic value",

Table I
Profile of respondents

	Sample <i>n</i> = 402 (%)	Population <i>n</i> = 619 (%)
Sex		
Male	57	52
Female	43	48
Year of study		
First year	19	32
Second year	26	21
Third year	28	25
Fourth year	27	22
Field of specialisation		
General business program	44	48
Information systems	7	7
Finance	5	8
Accounting	15	14
Management	8	7
Marketing	15	8
Other	6	3

relates to the business school's capacity to offer quality educational services to students through the knowledge and guidance provided by faculty. For its part, Factor 3, "Image", is loaded with variables that represent the students' belief that the image projected by their business school is closely linked to the value of their diploma. Factor 4, "Emotional value", is concerned with the affective states of students in the form of the positive feelings they have toward their field of study. Factor 5, "Functional value: price/quality", involves dimensions related to the utilitarian function of business education in the form of what students believe they are getting for what they pay; it relates to the economic person theory and to the relationship that exists between price and quality when they consider value. Factor 6, "Social value", constitutes the utilities that students derive from having friends in their classes, as well as the group and social activities which add value to their learning experience. The eigenvalues for the six factors were respectively 9.64, 1.99, 1.87, 1.38, 1.10, and 1.03. The results presented in Table II are related to the determinants of service value and support the existing knowledge. Indeed, functional value (F1 and F5) has been proposed as an important value dimension (Berry and Yadav, 1996; Sheth *et al.*, 1991; Tellis and Gaeth, 1990; Zeithaml, 1988). Epistemic value (F2), for its part, is related to the quality of education, and quality has been identified by Bolton and Drew (1991b) as the most important determinant of services value. Emotional value (F4), and social value (F6) underlie the consumption values presented by Sheth *et al.* (1991) in their theory of consumption values. Image (F3) is proposed by Kotler and Dubois (1993) as an important value indicator.

Table III presents the results of regression analysis and shows in order of importance the factors that explain service value, based on standardized beta coefficients. Results indicate that perceived value is derived mainly from price/quality (F5), a factor that is closely tied to the business school's capacity to offer sufficient services to students and convince them that they are receiving quality services in exchange for what they give by means of their tuition fees. Epistemic value (F2), in the form of the quality of education, along with the functional value (F1) associated with students' future earnings and career goals, also have an impact on value judgements. Results indicate that image (F3) also influences perceived value. Indeed, students tend to believe that the image projected by the business school, what others say about the institution, and its

Table II

Six service value factors identified by principal components analysis

	Factor loading	Percentage of variance explained	Cronbach's alpha
F1: Functional value (want satisfaction)			
X11: A degree in business will allow me to earn a good salary	0.74	35.7	0.86
X8: A degree in business will allow me to achieve my career goals	0.73		
X2: The knowledge I have acquired at my business school will allow me to get promotions	0.72		
X9: I believe employers are interested in hiring students from my business school	0.62		
X10: A degree from my business school is a good investment	0.58		
X4: It is better to obtain a post secondary degree than to enter the workforce immediately after high school	0.56		
F2: Epistemic value (knowledge)			
X27: The quality of education received from my professors influences the value of my degree	0.78	7.4	0.81
X28: Course content influences the value of my education	0.76		
X26: The number of students in my classes influences the value of my education	0.63		
X29: The guidance received from professors effects the value of my education	0.62		
X7: I learn new things in many of my courses	0.59		
F3: Image			
X24: I have heard positive things about my business school	0.69	7.0	0.84
X23: The reputation of my business school influences the value of my degree	0.68		
X22: The image projected by my business school has an influence on the value of my degree	0.65		
X5: I believe that employers would have positive things to say about my business school	0.55		
F4: Emotional value			
X20: I like taking courses in business administration	0.79	5.1	0.82
X19: I am glad that I chose courses in business administration	0.75		
X18: The value of my education depends on my personal effort	0.55		
F5: Functional value (price/quality)			
X32: When considering the price I pay for tuition, I believe that my business school offers sufficient services	0.78	4.1	0.73
X1: When considering the price I pay for tuition, I believe that the price/quality ratio is good at my business school	0.75		
X31: I believe that my business school offers quality services	0.55		
F6: Social value			
X13: I am happy when friends are in my classes	0.84	3.8	0.69
X12: I find courses more interesting when friends are in my classes	0.79		
X14: Working in groups has a positive effect on the value of my education	0.52		
X16: Social activities at my business school make my studies more interesting	0.52		

reputation have an effect on the value of their degree. Other factors such as emotional value (F4) and social value (F6) are also significant service value factors. In this instance, when students have a positive affect toward the business school and are happy with their referent others, they believe they are getting value from the school.

The results of the analysis of variance are summarized in Table IV and Figure 1. Results show that the year of program is significant for three of the six factors. The significant contrasts are identified (Scheffe, 0.05). In general, results show that as students progress in their studies, they are less likely to believe that their business degree

Table III
Regression results based on factor scores

Variables	Betas	Significance
(F5) Functional value (price/quality)	0.59	$p < 0.001$
(F2) Epistemic value (knowledge)	0.29	$p < 0.001$
(F1) Functional value (want satisfaction)	0.22	$p < 0.001$
(F3) Image	0.21	$p < 0.001$
(F4) Emotional value	0.12	$p < 0.001$
(F6) Social value	0.09	$p < 0.01$

Notes: Dependent variable: respondents' overall evaluation of service value; independent variables: six orthogonal factors representing the components of perceived value
 $R^2 = 56$ per cent; $F = 79.83$; $p < 0.001$

Table IV
ANOVA results: mean factor scores with sex and year of program

	Year of program				F significant
	First year $n = 71$	Second year $n = 95$	Third year $n = 110$	Fourth year $n = 95$	
F1: Functional value	0.41 ^{ac}	0.14 ^b	-0.05 ^c	-0.39 ^{ab}	$p < 0.001$
F3: Image	0.36 ^a	-0.26 ^a	0.02	-0.02	$p < 0.001$
F4: Emotional value	-0.35 ^{ab}	-0.21 ^c	0.17 ^a	0.25 ^{bc}	$p < 0.001$
	Sex				
	Male $n = 211$	Female $n = 162$			F significant
F6: Social value	0.14	-0.19			$p < 0.05$

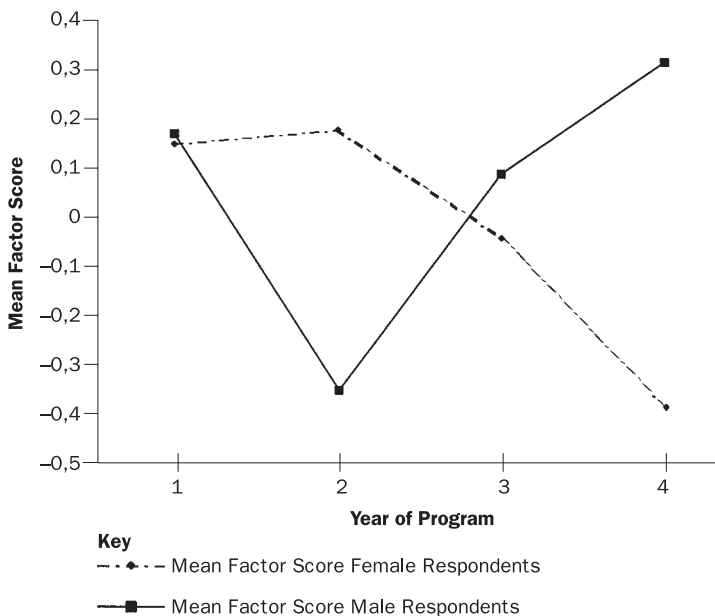
Interaction: sex by year of program

F5: functional value (price/quality) significant contrasts

Female year 1 (0.15) and female year 4 (-0.38)	Male year 1 (0.17) and female year 4 (-0.38)
Female year 2 (0.18) and female year 4 (-0.38)	Male year 2 (-0.35) and female year 1 (0.15)
Male year 1 (0.17) and male year 2 (-0.35)	Male year 2 (-0.35) and female year 2 (0.18)
Male year 2 (-0.35) and male year 4 (0.32)	Male year 4 (0.32) and female year 4 (-0.38)

Notes: Means with the same superscripts are significantly different (Scheffe, 0.05); all contrasts significantly different F sig. $p < 0.05$ (Scheffe, 0.05)

Figure 1
Interactive effects between sex and year of program on the F5:
price/quality factor



has functional value (F1), i.e. that their degree will guarantee them a good salary and career advancements. In this instance, significant differences were noted between first and third-year students, along with first and fourth, and second and fourth-year students. Results also show that perceptions of image as a value indicator (F3) vary between first and second-year students, more specifically, students seem to have a favourable image of the business school at the start of their program but their perceptions are less than favourable during the second year of study, where a deterioration of image occurs. Moreover, significant differences in emotional value (F4) were also noted. In this instance, students are more likely to say that they like the courses that they choose as they progress in their field of specialisation. Results also show significant differences on social value judgements (F6) based on sex of respondents. Compared to their female counterparts, males are more likely to agree that they are happy when friends are in their

classes and that social activities make their studies the more interesting. In addition, the significant contrasts on (F5), the functional value: price/quality factor, when the effect of sex and year of program are taken into consideration can be observed. In this case, price/quality perceptions deteriorate for female students as they advance in their studies, in particular significant contrasts are observed between first and fourth-year female students and between second and fourth year. With regard to male students, significant differences are observed between the first and second year of studies where evaluations decrease, and between the second and fourth year of studies, in this case more favourable evaluations are given to the price/quality ratio by fourth year students. Significant contrasts between males and females can be observed in Figure 1. In this case, a significant contrast on price/quality is noted between male students in their first year of the program and female students in their fourth year; more specifically, fourth-year female students give less favourable evaluations to price, i.e. what they are getting for tuition, than first year male students. Moreover, second-year male students give less favourable evaluations to price when compared to females in their first and second year of the program. A significant contrast is also observed between sexes in the fourth year of the business program; once again less favourable evaluations are given to price by female students.

Discussion and conclusion

In order to survive in the present environment, business schools need to add value to their services if they are to meet the challenges posed by funding cuts, rising tuition fees, and students' expectations with regard to service. Although the importance of perceived service value as a major form of the customers' assessment of services has been acknowledged in the literature (Zeithaml, 1988; Rust and Oliver, 1994; Holbrook, 1994), limited work has been undertaken on understanding the precise nature of this construct in business education. This lack of research formed the basis of this exploratory study on customers' perceptions of service value in a business education setting. As such, the study identified the factors that have an impact on perceived service value and that have implications for formulating strategies that add value for students during their learning experience.

The results of this study suggest a significant relationship between students' overall

evaluation of service value and perceptions of price in the form of the price/quality relationship that exists at the business school. As such, this finding supports the price is value literature (Babin *et al.*, 1994; Rust and Oliver, 1994; Sheth *et al.*, 1991; Zeithaml, 1988) and has important implications for the business school. An evident consequence of this finding is that management must continuously strive to offer quality services to students and ensure that tuition fees are within an acceptable price range. Indeed, prices should be lower or comparable to other business schools since when prices among alternatives are perceived as being about similar, the price cue is less likely to influence decision making (Monroe and Petroshuis, 1981). Conversely, in the event of higher tuition fees, management should invest in promotional activities aimed at promoting its image to students and the various stakeholder groups it interacts with, since image has been acknowledged to be a key element in the positioning of an organisation in its competitive environment (LeBlanc and Nguyen, 1996). Epistemic value in the form of knowledge and students' perceptions of the quality of education received from professors was also found to be an important determinant of value. Given this finding, a total quality management program should be implemented at the business school and all personnel should be encouraged to offer excellent services to students on all facets of the delivery system (Motwani and Kumar, 1997; Parasuraman *et al.*, 1988, 1991, 1994). All personnel should ensure quality services on a continuous basis so that perceptions of quality do not deteriorate over time, such as at the end of the winter semester when the students' are usually thinking of summer employment and are believed to be more sensitive to price. Given that the employee-customer interface is considered to be a key component of customers' perceptions of service quality (Hartline and Ferrell, 1996; Babin and Boles, 1998), in the delivery of service, faculty should understand their role as relationship managers (Crosby *et al.*, 1990); and, by continuously focusing on the importance of strong relationship marketing, management should increase the probability of student satisfaction with services (Swartz and Brown, 1989). Indeed, the creation of a strong organisational climate for service and the motivation of personnel with regard to the offer of quality service should lead to higher levels of customer orientation and positively effect value perceptions (Kelley, 1992). Convincing students that what they get, in the form of quality of education, is greater than

what they give should be a key objective of the business school (Zeithaml, 1988), since economic and epistemic utilities are important drivers of service value.

The results of the study also show that functional value, in the form of the benefits associated with the possession of a degree in business, has a direct bearing on perceptions of service value. In this situation, management should continuously inform students of the needs of industry, the opportunities that exist with regard to employment, and the possibilities of career advancements. The building of a strong network with alumni and business and by encouraging students to participate in various social and professional functions where influential referent others are present should prove beneficial to both students and the business school. Moreover, in order to foster good liaisons between students and employers, management should invite prospective employers to the business school on a continuous basis to inform students and faculty of career opportunities and of the expectations of industry with regard to young professionals. Results also reveal that service value is influenced by perceived image. Given this finding, management should focus on the building of image with the various stakeholder groups with which the business school interacts. The positioning of the business school as innovative, up-to-date, involved in current issues, and capable of providing prospective employers with quality people, should allow management to build a strong reputation (Herbig *et al.*, 1994) and convince students of the value of its image. Furthermore, management, in their endeavour, should also consider an ensemble of elements that contribute to the building of image, such as management style and leadership, corporate identity, level and quality of service, contact personnel, and the tangible cues that are part of the environment where the service is produced and consumed (Bitner, 1992; LeBlanc and Nguyen, 1996). Dimensions related to emotional and social utilities were also found to affect perceptions of service value. In this case, management should undertake internal marketing activities (Barnes, 1989) aimed at increasing the students' affect toward their program and encouraging word of mouth (Fitzgerald Bone, 1995). For example, in the business school, the use of posters and other promotional activities which show former business students who have succeeded should elicit positive emotional responses and increase affect toward the business degree (Hirschman and Holbrook, 1982). A focus on the promotion of team work and increased student participation during

the acquisition of the knowledge and skills required of young professionals by industry should contribute to social value.

The results provided by analysis of variance in Table IV indicate that perceptions of value are situational and vary over the student's consumption experience (Holbrook, 1986). Indeed, customer perceptions of functional value, i.e. the future value of a business degree in terms of the guarantee of a good salary and career advancements, was found to decrease as students advanced in their studies. Similarly, image perceptions were found to be less favourable in the second year of the program as compared to students enrolled in their first year. Moreover, affective responses were less favourable in the first year of the business program. To better understand these evaluations, the results of this study were subsequently presented and discussed with a group of 30 business students. This method agrees with Zeithaml *et al.* (1996) who propose that such qualitative data should be gathered to better understand the meaning of the hard data. During the discussions, the students noted that they had little control over tuition fees and that their expectations of service value were mostly related to gaining employment at the end of their studies (F1: functional value). They said, moreover, that as they advanced in their program, they came to realize that, in the present business environment, a degree might not necessarily guarantee them a good job. With regard to the image of the business school (F3: image), the students noted that when they chose to pursue studies in business administration, their high school counsellors had influenced their perceptions of the business school. Thereafter, perceptions of image changed as they experienced the service. In addition, emotional value (F4) was also found to be more positive as students advanced in their studies. In this case, students' positive evaluations with regard to their program was principally due to their ability to choose an area of specialisation adapted to their interests and needs. In light of these results, it is evident that management must work closely with students in their endeavour to gain future employment that corresponds to their career aspirations. Moreover, the introduction of cooperative business programs, that require students to acquire work experience during their studies, should add value to the business program and help students find employment suited to their interests and skills. As for the finding that image deteriorates during the first year of the program, management should ensure that students' expectations with regard to service are

Gaston LeBlanc and
Nha Nguyen
*Listening to the customer's
voice: examining perceived
service value among business
college students*

The International Journal of
Educational Management
13/4 [1999] 187-198

Price, quality, want
satisfaction, corporate
image, along with affective
and social responses are
strong drivers of value in a
business education setting

closely examined and analysed so as to set quality standards from their perspective. Indeed, all promotional activities directed at recruiting new customers should promise what can actually be delivered and counsellors should be briefed on the programs and facilities offered by the business school so as not to set unrealistic expectations in the minds of students. Moreover, given that affect increases as students progress in their area of specialisation, management should encourage students to give testimonials to high school students and counsellors alike interested in the programs offered by the business school so as to build a credible reputation and set realistic expectations. These results confirm that networking with referent others, the building of image, and internal marketing activities should be an integral part of strategies that promise to build service value.

The study shows that there are gender based differences between business students which may suggest that expectations toward the business program are not being fulfilled for female students. Indeed, the evidence presented shows that gender impacts on perceptions of social value (F6) and on evaluations of price/quality (F5). Although stereotypes of interpersonal relationship suggest that women tend to be more concerned with relationships (Gilligan, 1982; Spence and Helmreich, 1980), the results show that female business students give less importance to social value than their male counterparts. In addition, the interaction of sex and year of program was found to impact on perceptions of price/quality. In this situation, females gave less favourable scores to this factor than males as both groups progressed in their business program. A possible explanation of these findings is that women are more task oriented than their male counterparts (McQuarrie, 1991), and that their reasons for choosing the business school are different. Given this finding, management should further investigate for differences based on gender and adapt performance levels according to this reality. For example, the secondary data show that females represent 48 per cent of the student population at the business school but only 10 per cent of faculty are females. This in itself is a potential explanation for the differences in students' perceptions. Indeed, the current stream of research in this area (Hartline and Ferrell, 1996) acknowledges the role of gender on the performance of contact personnel during service delivery and its effect on customers' perceptions of service. More work is therefore needed at this level.

As for the limitations of this study, the results represent students' perceptions of service value in a small business school, and care must be taken not to generalize results to all institutions. Similarly, the convenience sample of respondents must be acknowledged as well as the administration of the questionnaire. The instrument was handed out to students at the end of the winter semester at a time when students usually have less funds and the university announces tuition fees for the next year of study. As such, these elements could have influenced perceptions of value. Moreover, the study focused mainly on the consumption values identified by Sheth *et al.* (1991) and did not include items that form part of the SERVQUAL scale developed by Parasuraman *et al.* (1988, 1991, 1994). Future studies should include these items and investigate how price and quality interact to create value and how perceptions of value vary over time. In addition, determining how the various stakeholder groups that interact with the business school form perceptions of value appears to be a worthwhile research strategy to pursue. Empirical work that investigates value from the customers' perspective and further investigates the effect of gender is therefore encouraged.

Despite the importance of perceived service value as a major form of customers' assessment of services, the lack of research with regard to how customers evaluate value during their service consumption experience formed the basis of this study on the cues that signal value to business students. The study shows that price, quality, want satisfaction, corporate image, along with affective and social responses are strong drivers of value in a business education setting. Moreover, the value construct is found to be both situational and personal. The results are encouraging and will lead us to further investigate this key outcome of the service consumption experience.

References

- Anderson, E.W. and Sullivan, M.W. (1993), "The antecedents and consequences of customer satisfaction for firms", *Marketing Science*, Vol. 12, Spring, pp. 125-43.
- Babin, B.J. and Boles, J.S. (1998), "Employee behaviour in a service environment: a model and test of potential differences between men and women", *Journal of Marketing*, Vol. 62, April, pp. 77-91.
- Babin, B.J., Darden, W.R. and Griffin, M. (1994), "Work and/or fun: measuring hedonic and utilitarian shopping value", *Journal of Consumer Research*, Vol. 20, March, pp. 644-56.
- Barich, H. and Kotler, P. (1991), "A framework for marketing image management", *Sloan Management Review*, Winter, pp. 94-104.

- Barnes, J.G. (1989), "The role of internal marketing: if the staff won't buy it, why should the customer?", *Irish Marketing Review*, Vol. 4, pp. 11-21.
- Belk, R.W. (1974), "An exploratory assessment of situational effect in buyer behaviour", *Journal of Marketing Research*, Vol. 11, May, pp. 156-63.
- Berry, L. and Yadav, M. (1996), "Capture and communicate value in the pricing of services", *Management Review*, Summer, pp. 41-51.
- Bitner, M.J. (1990), "Evaluating service encounters: the effects of physical surroundings and employee responses", *Journal of Marketing*, April, pp. 69-82.
- Bitner, M.J. (1992), "Servicescapes: the impact of physical surroundings on customers and employees", *Journal of Marketing*, Vol. 56, April, pp. 57-71.
- Bolton, R.N. and Drew, J.H. (1991a), "A longitudinal analysis of the impact of service changes on customer attitudes", *Journal of Marketing*, Vol. 55, January, pp. 1-9.
- Bolton, R.N. and Drew, J.H. (1991b), "A multistage model of customers' assessments of service quality and value", *Journal of Consumer Research*, Vol. 17, March, pp. 375-84.
- Bolton, R.N. and Drew, J.H. (1992), "Mitigating the effect of service encounters", *Marketing Letters*, Vol. 3, pp. 57-70.
- Bolton, R.N. and Drew, J.H. (1994), "Linking customer satisfaction to service operation and outcomes", in Oliver and Rust (Eds), *Service Quality: New Directions in Theory and Practice*, Sage, Thousand Oaks, CA, pp. 173-200.
- Cannon, J.P. and Jagdish, N.S. (1994), "Developing a curriculum to enhance teaching of relationship marketing", *Journal of Marketing Education*, Summer, pp. 3-14.
- Carman, J.M. (1990), "Consumer perceptions of service quality: an assessment of the SERVQUAL dimensions", *Journal of Retailing*, Vol. 66, pp. 33-55.
- Churchill, G.A. and Surprenant, C. (1982), "An investigation into the determinants of customer satisfaction", *Journal of Marketing Research*, Vol. 19, November, pp. 491-504.
- Cronin, J.J. and Taylor, S.A. (1992), "Measuring service quality: a reexamination and extension", *Journal of Marketing*, Vol. 56, July, pp. 55-68.
- Crosby, L.A., Evans, K.R. and Cowles, D. (1990), "Relationship quality in services selling: an interpersonal influence perspective", *Journal of Marketing*, Vol. 54, July, pp. 68-81.
- Dodds, W.B., Monroe, K.B., and Grewal, D. (1991), "Effect of price, brand, and store information on buyers' product evaluations", *Journal of Marketing Research*, Vol. 28, August, pp. 307-19.
- Doyle, M. (1984), "New ways of measuring value", *Progressive Grocer-Value*, Executive Report, pp. 15-19.
- Fern, E.F. (1982), "The use of focus groups for idea generation: the effects of group size, acquaintanceship, and moderator on response quantity and quality", *Journal of Marketing Research*, Vol. 17, February, pp. 1-13.
- Fitzgerald Bone, P. (1995), "Word of mouth effects on short-term and long-term product judgments", *Journal of Business Research*, Vol. 32, pp. 213-23.
- Gassenheimer, J.B., Houston, F.S. and Davis, J.C. (1998), "The role of economic value, social value, and perceptions of fairness in inter-organizational relationship retention decisions", *Journal of the Academy of Marketing Science*, Vol. 26 No. 4, pp. 322-37.
- Gilligan, C. (1982), *In a Different Voice: Psychological Theory and Women's Development*, Harvard University Press, Cambridge, MA.
- Grewal, D., Monroe, K.B. and Krishnan, R. (1998), "The effects of price-comparison advertising on buyers' perceptions of acquisition value, transaction value, and behavioral intentions", *Journal of Marketing*, Vol. 62, pp. 46-59.
- Gronroos, C. (1990), *Service Management and Marketing*, Lexington, Toronto.
- Hampton, G. (1993), "Gap analysis of college student satisfaction as a measure of professional service quality", *Journal of Professional Services Marketing*, Vol. 9, pp. 115-27.
- Hartline, M.D. and Ferrell, O.C. (1996), "The management of customer-contact service employees: an empirical investigation", *Journal of Marketing*, Vol. 60, October, pp. 52-70.
- Hauser, J.R. and Urban, G. (1986), "The value priority hypotheses for consumer budget plans", *Journal of Consumer Research*, Vol. 12, March, pp. 446-62.
- Herbig, P., Milewicz, J. and Golden, J. (1994), "A model of reputation building and destruction", *Journal of Business Research*, Vol. 31, pp. 23-31.
- Hirschman, E. and Holbrook, M. (1982), "Hedonic consumption: emerging concepts, methods and propositions", *Journal of Marketing*, Vol. 46, Summer, pp. 92-101.
- Holbrook, M.B. (1986), "Emotion in the consumption experience: toward a new model of the human consumer", in Peterson, R. et al. (Eds), *The Role of Affect in Consumer Behavior: Emerging Theories and Applications*, Heath, Lexington, MA, pp. 17-52.
- Holbrook, M.B. (1994), "The nature of customer value: an axiology of services in the consumption experience", in Oliver and Rust (Eds), *Service Quality: New Directions in Theory and Practice*, Sage, Thousand Oaks, CA, pp. 21-71.
- Holbrook, M.B. and Corfman, K.P. (1985), "Quality and value in the consumption experience: Phaedrus rides again", in Jacoby, J.R.W. and Olson, J.C. (Eds), *Perceived Quality*, Lexington Books, Lexington, MA, pp. 31-57.

- Kelley, S.W. (1992), "Developing customer orientation among service employees", *Journal of the Academy of Marketing Science*, Vol. 20 No. 1, pp. 27-36.
- Kiefer, N. and Kelly, T.J. (1995), "Price recollection and perceived value in restaurants", *Cornell Hotel and Restaurant Quarterly*, February, pp. 47-50.
- Kotler, P. and Dubois, B. (1993), "Satisfaire la clientèle à travers la qualité, le service et la valeur", *Revue Française du Marketing*, pp. 35-52.
- LeBlanc, G. and Nguyen, N. (1996), "Cues used by customers evaluating corporate image in service firms: an empirical investigation in financial institutions", *International Journal of Service Industry Management*, Vol. 7 No. 2, pp. 44-56.
- LeBlanc, G. and Nguyen, N. (1997), "Searching for excellence in business education: an exploratory study of customer impressions of service quality", *International Journal of Educational Management*, Vol. 11 No. 2, pp. 72-9.
- McQuarrie, F.A. (1991), "Student perceptions of management education: a gender based analysis", *Proceedings of the Administrative Sciences Association of Canada, Business Education Division*, pp. 86-94.
- Monroe, K.B. and Petroschuis, S.M. (1981), "Buyers' perceptions of price: an update of the evidence", in Kassarian, H. and Robertson, T.S. (Eds), *Perspectives in Consumer Behaviour*, 3rd ed., Scott Foresman.
- Motwani, J. and Kumar, A. (1997), "The need for implementing total quality management in education", *International Journal of Educational Management*, Vol. 11 No. 3, pp. 131-5.
- Myers, J.H. (1991), "Measuring customer satisfaction: is meeting expectations enough?", *Marketing Research: A Magazine of Management and Applications*, Vol. 3 No. 4, pp. 35-43.
- Nunnally, J.C. (1978), *Psychometric Theory*, 2nd ed., McGraw-Hill, New York, NY.
- Oliver, R.L. and DeSarbo, W.S. (1988), "Response determinants in satisfaction judgments", *Journal of Consumer Research*, Vol. 14, March, pp. 495-507.
- Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1988), "SERVQUAL: a multiple item scale for measuring consumer perceptions of service quality", *Journal of Retailing*, Vol. 64, Spring, pp. 12-40.
- Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1991), "Refinement and reassessment of the SERVQUAL scale", *Journal of Retailing*, Vol. 67, Winter, pp. 420-50.
- Parasuraman, A., Zeithaml, and Berry, L.L. (1994), "Reassessment of expectations as a comparison standard in measuring service quality: implications for further research", *Journal of Marketing*, Vol. 58, January, pp. 111-24.
- Park, W. and Lessig, P. (1977), "Students and housewives: differences in susceptibility to reference group influence", *Journal of Consumer Research*, September, pp. 101-14.
- Peterson, R. and Wilson W. (1985), "Perceived risk and price-reliance schema and price-perceived-quality", in Jacoby, J. and Oleson, J. (Eds), *Mediators in Perceived Quality*, Lexington Books, Lexington, MA, pp. 247-8.
- Peterson, R.A. and Wilson, W.R. (1992), "Measuring customer satisfaction: fact and artifact", *Journal of the Academy of Marketing Science*, Vol. 20, pp. 61-71.
- Rao, A.R. and Monroe, K.B. (1989), "The effect of price, brand name, and store name on perceptions of product quality: an integrative review", *Journal of Marketing Research*, Vol. 26, August, pp. 351-7.
- Rust, R.T. and Oliver, R.L. (1994), "Service quality: insights and managerial implications from the frontier", in Oliver and Rust (Eds), *Service Quality: New Directions in Theory and Practice*, Sage, Thousand Oaks, CA, pp. 1-20.
- Sawyer, A.G. and Dickson, P. (1984), "Psychological perspectives on consumer responses to sales promotion", in Jocz, K. (Ed.), *Research on Sales Promotion: Collected Papers*, Marketing Science Institute, Cambridge, MA.
- Schechter, L. (1984), "A normative conception of value", *Progressive Grocer*, Executive Report, pp. 12-14.
- Seymour, D.T. (1992), *On Q: Causing Quality in Higher Education*, MacMillan Press, New York, NY.
- Sheth, J.N., Newman, B.I. and Gross, B.L. (1991), "Why we buy what we buy: a theory of consumption values", *Journal of Business Research*, Vol. 22, pp. 159-70.
- Spence, J.T. and Helmreich, R.L. (1980), "Masculine instrumentality and female expressiveness: their relationships with sex role attitudes and behaviours", *Psychology of Women Quarterly*, Vol. 5, pp. 147-63.
- Stafford, T.S. (1994), "Consumption values and the choice of marketing electives: treating students like customers", *Journal of Marketing Education*, Summer, pp. 26-33.
- Swartz, T. and Brown, S.W. (1989), "Consumer and provider expectations and experiences in evaluating professional service quality", *Journal of the Academy of Marketing Science*, Vol. 17 Spring, pp. 189-95.
- Tabachnick, B.G. and Fidell, L.S. (1989), *Using Multivariate Statistics*, 2nd ed., Harper Collins Publishers, New York, NY.
- Taylor, S.A. and Baker T.L. (1994), "An assessment of the relationship between service quality and customer satisfaction in the formation of consumers' purchase intentions", *Journal of Retailing*, Vol. 72, No. 2, pp. 163-78.
- Tellis, G.J. and Gaeth, G.J. (1990), "Best value, price-seeking, and price aversion: the impact of information and learning on consumer choices", *Journal of Marketing*, Vol. 54, April, pp. 34-45.

- Tse, D.K. and Wilton P.C. (1988), "Models of consumer satisfaction formation: an extension", *Journal of Marketing Research*, Vol. 25, May, pp. 204-12.
- Young, S. (1996), "The role of affective states and locus of attribution in evaluations of service", *Canadian Journal of Administrative Sciences*, Vol. 13 No. 3, pp. 216-25.
- Zeithaml, V. (1988), "Consumer perceptions of price, quality and value: a means-ends model and synthesis of evidence", *Journal of Marketing*, Vol. 52, July, pp. 2-22.
- Zeithaml, V.A., Berry, L.L. and Parasuraman, A. (1996), "The behavioral consequences of service quality", *Journal of Marketing*, Vol. 60, April, pp. 31-46.

Appendix. Items used to measure perceived service value in business education.

- X1: When considering the price I pay for tuition, I believe that the price/quality ratio is good at my business school.
- X2: The knowledge I have acquired at my business school will allow me to get promotions.
- X3: I believe that a degree in business administration will guarantee future employment.
- X4: It is better to obtain a post secondary degree than to enter the work force immediately after high school.
- X5: I believe employers would have positive things to say about my business school.
- X6: In my opinion it is worthwhile to invest four years to obtain a business degree.
- X7: I learn new things in many of my courses.
- X8: A degree in business will allow me to achieve my career goals.
- X9: I believe employers are interested in hiring students from my business school.
- X10: A degree from my business school is a good investment.
- X11: A degree in business will allow me to earn a good salary.
- X12: I find courses more interesting when friends are in my classes.
- X13: I am happy when friends are in my classes.
- X14: Working in groups has a positive effect on the value of my education.
- X15: The areas of specialisation offered by my business school satisfies my needs.
- X16: Social activities at my business school make my studies more interesting.
- X17: My parents believe that my business school offers good programs.
- X18: The value of my education depends on my personal effort.
- X19: I am glad that I chose courses in business administration.
- X20: I like taking courses in business administration.
- X21: I find courses interesting.
- X22: The image projected by my business school has an influence on the value of my degree.
- X23: The reputation of my business school influences the value of my degree.
- X24: I have heard positive things about my business school.
- X25: I believe that my business school can adapt to the needs of industry.
- X26: The number of students in my classes influences the value of my education.
- X27: The size of my business school has an effect on the value of my education.
- X28: The quality of education received from my professors influences the value of my degree.
- X29: Course contents influence the value of my education.
- X30: The guidance received from professors has an effect on the value of my education.
- X31: The fact that my business school is small has a positive effect on the value of my education.
- X32: I believe that my business school offers quality services.
- X33: When considering the price I pay for tuition, I believe that my business school offers sufficient services.