Service Quality Dimensions

“Quality is never an accident. It is always the result of an intelligent effort.”
John Ruskin

“Quality is Free”
Philip Crosby

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PRESENTATION LAYOUT

- Defining perception
- Defining expectation
- Customer service
- Types of definitions of quality
- Customer service
- Foundations of service quality
- Dimensions of service quality
- Service quality model
- Use the service quality gap model to diagnose quality problems for a service firm.
- Scope of service quality
- Service quality management
Defining perception

✓ **Perception** is the process by which people translate sensory impressions into a coherent and unified view of the world around them.

✓ **Customer perception** is the process by which customer selects, organizes and interprets information/stimuli inputs to create a meaningful and coherent picture of the brand or the product/service.

*Customer perceptions are subjective assessment of actual service experiences*
Perceived quality

Perceived quality can be defined as the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives.

Perceived quality is, first, a perception by customers.
Defining Expectations

• **Will expectation:** *Average level of quality that is predicted based on all known information*

• **Should expectation:** *What customers feel they deserve from the transaction*

• **Ideal expectation:** *What would happen under the best of circumstances; useful as a barometer of excellence*

• **Minimally acceptable level:** *The threshold at which mere satisfaction is achieved*

✓ **Customer expectations** are the standards or reference points for performance against which service experiences are compared and are often formulated in terms of what a customer believes should or will happen.
Types of Definitions of Quality

- **Transcendent**: Innate excellence that can be recognized only through experience
- **Product-based**: Measurable quantities are used to define quality
- **User-based**: “Quality is in the eyes of the beholder”
- **Manufacturing-based**: Conformance to requirements
- **Value-based**: A balance between conformance or performance quality and an acceptable price to the customer
Official or formal definition of quality

According to ISO 9000:2005,

Quality is the degree to which a set of inherent characteristics of an object fulfills requirements.
Customer service

Customer service is the act of taking care of the customer's needs by providing and delivering professional, helpful, high quality service and assistance before, during, and after the customer's requirements are met.

✓ Cardinal Principle of good customer service is
  ▪ To find out and know customers' expectations

Characteristics of service
✓ Intangible
✓ Heterogeneous
✓ Simultaneous production and consumption
✓ Perishability
Meaning of service quality

Service quality is an achievement in customer service. It reflects at each service encounter. Customers form service expectations from past experiences, word of mouth and marketing communications.

Foundations for service quality

• Service encounters or moments of truth

Types of service encounters:

• Remote encounters (without any direct human contact)
• Phone encounters
• Face-to-face encounters (direct contact between employee and customer)
What is that consumers evaluate when judging service quality (SQ)?

According to Brady and Cronin, the elements of service quality are: Outcome quality, Interaction quality, Physical environment quality.

According to Gronroos, technical and functional types of quality (i.e. outcome of the service and the manner in which it is delivered).

According to Rust and Oliver, service product, service delivery and service environment are the aspects of SQ.

According to Bitner, People, process and physical evidence
SERVICE QUALITY

In 1988, a team of academic researchers, A. Parasurman, Valarie Zeithaml and Leonard L. Berry developed SERVQUAL to measure quality in the service sector.

SERVQUAL is a multi-dimensional research instrument, designed to capture consumer expectations and perceptions of a service along the five dimensions that are believed to represent service quality.

\[ SQ = P - E \]

where; **SQ** is service quality

- **P** is the individual's perceptions of given service delivery
- **E** is the individual's expectations of a given service delivery
Perceived Service Quality

Word of mouth

Personal needs

Past experience

Service Quality Dimensions
- Reliability
- Responsiveness
- Assurance
- Empathy
- Tangibles

Expected service

Perceived service

Service Quality Assessment
1. Expectations exceeded
   ES<PS (Quality surprise)
2. Expectations met
   ES~PS (Satisfactory quality)
3. Expectations not met
   ES>PS (Unacceptable quality)
### Table 15.1: GENERIC DIMENSIONS USED BY CUSTOMERS TO EVALUATE SERVICE QUALITY

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Definition</th>
<th>Examples of Questions That Customers Might Raise</th>
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</table>
| Credibility         | Trustworthiness, believability honesty of the service provider            | - Does the hospital have a good reputation?  
                       |                                                                              | - Does my stockbroker refrain from pressuring me?                                                      |
| Security            | Freedom from danger, risk, or doubt                                       | - Does the repair firm guarantee its work?  
                       |                                                                              | - Is it safe for me to use the bank’s ATMs at night?                                                  |
                       |                                                                              | - Is my credit card protected against unauthorised use?                                                   |
                       |                                                                              | - Can I be sure that my insurance policy provides complete coverage?                                     |
| Access              | Approachability and ease of contact                                        | - How easy is it for me to talk to a supervisor when I have a problem?                                     |
                       |                                                                              | - Does the airline have a 24-hour toll-free phone number?                                                |
                       |                                                                              | - Is the hotel conveniently located?                                                                     |
| Communication       | Listening to customers, informed in language they can understand          | - When I have a complaint, is the manager willing to and keeping them listen to me?                       |
                       |                                                                              | - Does my doctor avoid using technical jargon?                                                           |
                       |                                                                              | - Does the electrician call when unable to keep a scheduled appointment?                                 |
| Understanding the customer | Making the effort to know customers and needs | - Does someone in the hotel recognize me as a regular customer?                                           |
                       |                                                                              | - Does my stockbroker try to determine my specific financial objectives?                                 |
                       |                                                                              | - Is the moving company willing to accommodate my schedule?                                             |
| Tangibles           | Appearance of physical facilities, equipment, personnel, and communication materials | - Are the hotel’s facilities attractive?                                                                 |
                       |                                                                              | - Is my accountant dressed appropriately?                                                                |
                       |                                                                              | - Is my bank statement easy to understand?                                                               |
| Responsiveness | Willingness to help customers and provide prompt service | - When there's problem, does the firm resolve it quickly?  
- Is my stockbroker willing to answer my questions?  
- Is the cable TV company willing to give me a specific time when the installer will show up? |
|--------------|-------------------------------------------------------|---------------------------------------------------------------|
| Competence   | Possession of the skills and knowledge required to perform the service | - Can the bank teller process my transaction without fumbling around?  
- When I call my travel agent is she able to obtain the information I need?  
- Does the dentist appear to know what he is doing? |
| Courtesy     | Politeness, respect, consideration, and friendliness of contact personnel | - Does the flight attendant have a pleasant demeanour?  
- Are the telephone operators consistently polite when answering my calls?  
- Does the plumber take off his muddy shoes before stepping on my carpet? |
Dimensions of Service Quality

- **Reliability**: Perform promised service dependably and accurately. **Example**: receive mail at same time each day.

- **Responsiveness**: Willingness to help customers promptly. **Example**: avoid keeping customers waiting for no apparent reason.
Dimensions of Service Quality

• **Assurance:** Ability to convey trust and confidence. **Example:** being polite and showing respect for customer.

• **Empathy:** The caring and individual attention provided to customers. **Example:** being a good listener.

• **Tangibles:** Physical evidence of the service. **Example:** cleanliness.
Service Quality dimensions

- Reliability: 32%
- Responsiveness: 16%
- Assurance: 19%
- Empathy: 11%
- Tangibles: 22%
GAPS MODEL OF SERVQUALITY

• Compares customer expectations with their experience of the service that was actually delivered
  – Discrepancies are “gaps” in service quality

• The model focuses on strategies and processes that firm can employ to drive service excellence while maintaining focus on customers.
Service Quality Gap Model

- Customer Expectations
- Customer Perceptions
- Service Delivery
- Service Standards
- Conformance
- Communication
- Managing the Evidence
- Design GAP 2
- Service Design
- Customer / Marketing Research GAP 1
- Understanding the Customer
- Conformance GAP 3
- Design GAP 2
- Managing the Evidence
- Communication GAP 4
- Customer Satisfaction GAP 5
- Service Standards
- Customer Perceptions
- Customer Expectations
SERVQUAL GAP MODEL

Customer

Gap 1

Gap 2

Gap 3

Gap 4

Gap 5

Provider

Word-of-Mouth Communications

Personal Needs

Past Experience

Expected Service

Perceived Service

Service Delivery

Service Quality Specifications

Management Perceptions of Customer Expectations

External Communications to Customers
## Gaps in Service Quality

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<tr>
<th>Gap</th>
<th>Problem</th>
<th>Cause(s)</th>
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<tr>
<td>Gap 1 The Knowledge Gap</td>
<td>The service features offered don’t meet customer needs</td>
<td>Lack of marketing research; inadequate upward communication; too many levels between contact personnel and management</td>
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<tr>
<td>Gap 2 The standards Gap</td>
<td>The service specifications defined do not meet management’s perceptions of customer expectations</td>
<td>Lack of management commitment to service quality Employee perceptions of infeasibility Inadequate goal setting Inadequate task standardization</td>
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<td>Gap 3 The Delivery Gap</td>
<td>Specifications for service meet customer needs but service delivery is not consistent with those specifications</td>
<td>Technical breakdowns or malfunctions Role conflict/ ambiguity Lack of perceived control Poor employee-job fit Poor technology- fit Poor supervision or training</td>
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| Gap 4  | The Communications Gap | The service does not meet customer expectations, which have been influenced by external communication | Lack of horizontal communications  
Poor communication with advertising agency  
Inadequate communications between sales and operations  
Differences in policies and procedures across branches or divisions of an entity  
Propensity to overpromise |
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<td>Gap 5</td>
<td>Expected service – perceived service</td>
<td>Customer judgments of high/low quality based on expectations vs. actual service</td>
<td>A function of the magnitude and direction of the gap between expected service and perceived service</td>
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Scope of service quality

➢ View quality from five perspectives

- **Content** – are standard procedures being followed?
- **Process** – is the sequence of events in the service process appropriate?
- **Structure** – are the physical facilities and organizational design adequate for the service?
- **Outcome** – what change in the status has the service effected? Is the consumer satisfied?
- **Impact** – what is the long-range effect of the service on the consumer?
Service Quality Management

The process of managing the quality of services delivered to a customer according to his expectations is called Service Quality Management.

It basically assesses how well a service has been given, so as to improve its quality in the future, identify problems and correct them to increase customer satisfaction.
Evidence of Delivering Excellent Service Quality

ensure that customers come back

Examples of excellence in service quality

• personalized service, good return policies,
• complaints desks and hotlines,
• being able to speak to a human being when calling for service, and so on.
THANK YOU