

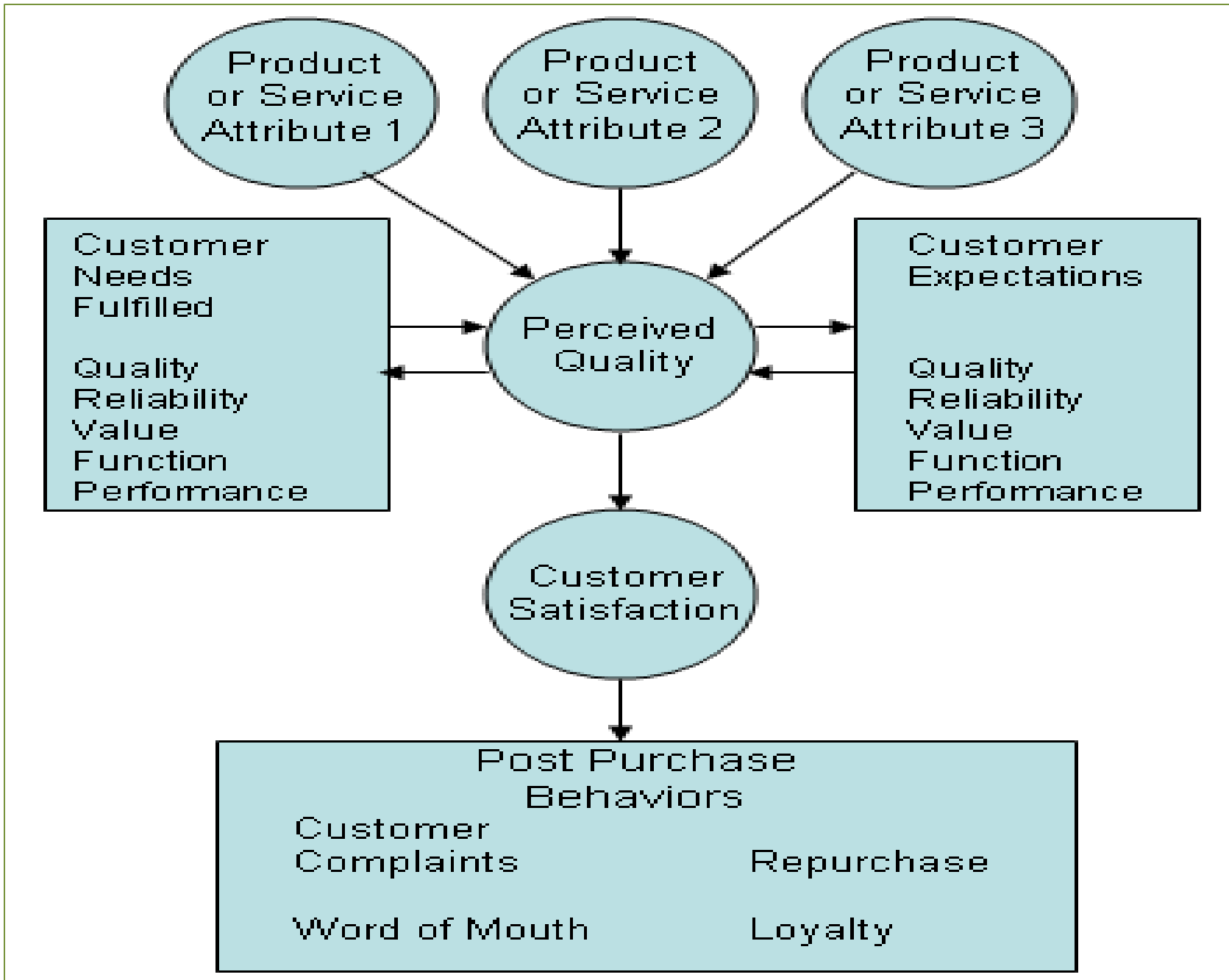
Customer Satisfaction and Service quality

Service Quality

Predicted Service: The level of service quality a customer believes a firm will actually deliver.

The inherent nature of services makes consistent delivery difficult across employees in the same company & even from same employee from day to day.

Zone of Tolerance: The range within which customers are willing to accept this variation in service delivery.



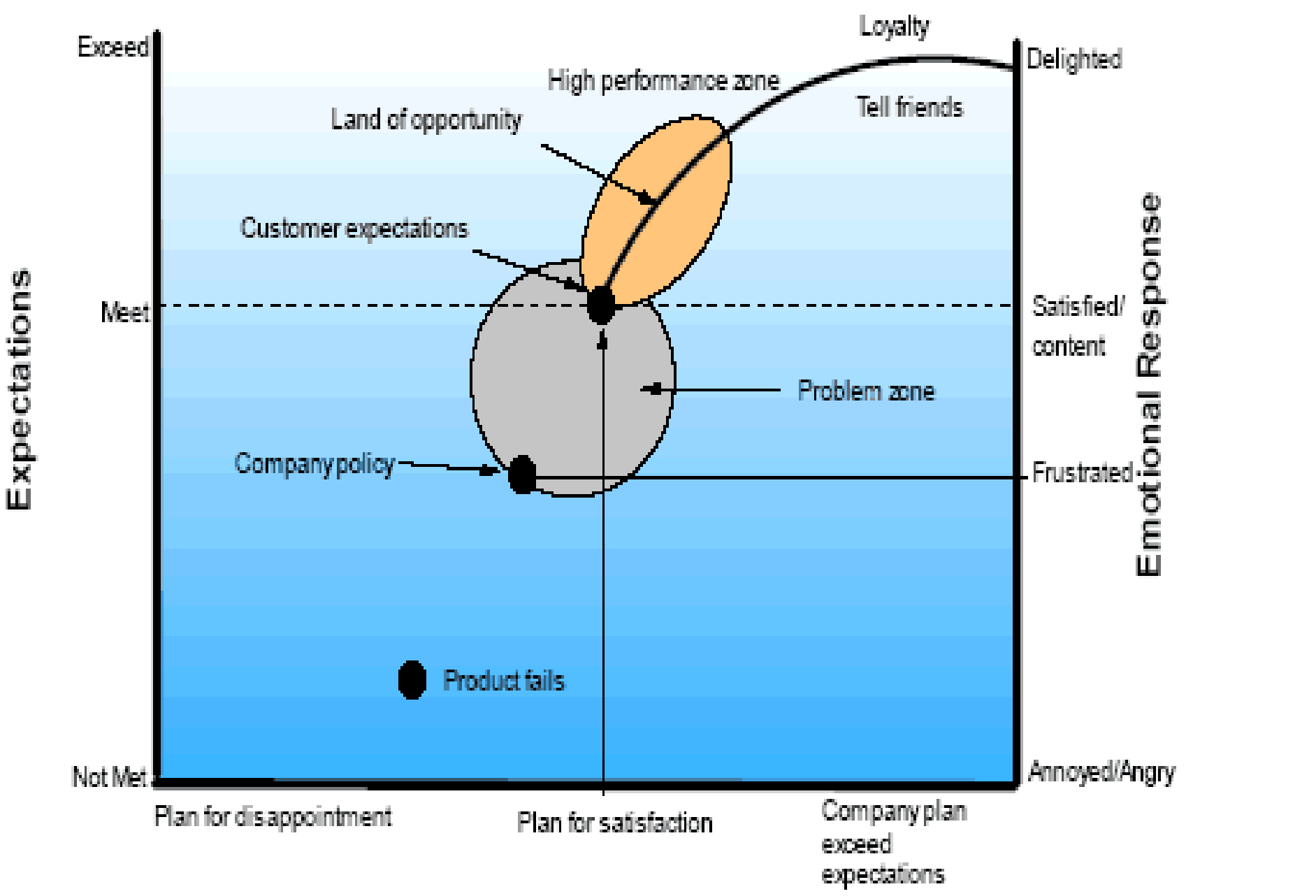
Service Quality & Satisfaction

Service Quality: Customer's long-term cognitive evaluations of a firm's service delivery.

Customer Satisfaction: A short-term emotional reaction to a specific service performance.

How do customers evaluate Service Quality?

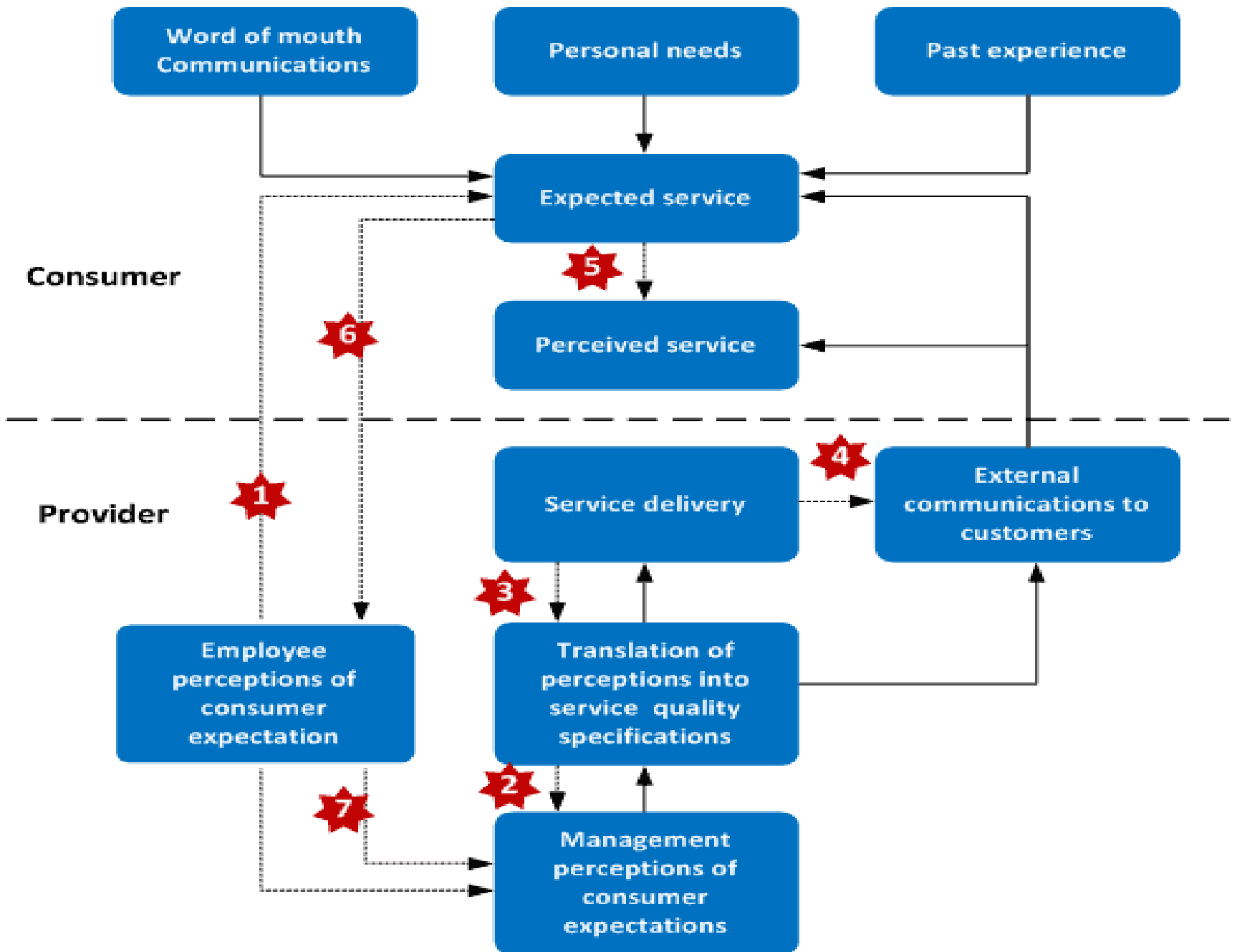
Quality Gap: A discrepancy between service providers performance and customer expectations.



Seven Quality Gaps

- 1. The knowledge Gap**
- 2. The standard Gap**
- 3. The delivery Gap**
- 4. The External Communication Gap**
- 5. The perception Gap**
- 6. The Interpretation Gap**
- 7. The Service Gap**

DIFFERENCE BETWEEN	GAP	DIFFERENCE BETWEEN
CUSTOMER'S NEEDS AND EXPECTATIONS	1. KNOWLEDGE GAP	MANAGEMENT DEFINATIONS OF THESE NEEDS
MANAGEMENT'S PERCEPTIONS OF CUSTOMER EXPECTATIONS	2. STANDARDS GAP	QUALITY STANDARDS ESTABLISHED FOR SERVICE DELIVERY
SPECIFIED DELIVERY STANDARDS	3. DELIVERY GAP	SERVICE PROVIDER'S ACTUAL PERFORMANCE
COMPANY'S ADVERTISEMENTS & SALES PROMISES	4. INTERNAL COMMUNICATION GAP	WHAT COMPANY IS ACTUALLY ABLE TO DELIVER
WHAT SERVICE IS ACTUALLY DELIVERED	5. PERCEPTIONS GAP	WHAT CUSTOMERS PERCEIVE THEY HAVE RECEIVED
WHAT SERVICE PROVIDER'S COMMUNICATION PROMISES	6. INTERPRETATIONS GAP	WHAT CUSTOMER THINKS WAS PROMISED
WHAT CUSTOMERS EXPECT TO RECEIVE	7. SERVICE GAP	THEIR PERCEPTION OF ACTUAL DELIVERED SERVICE



Service Quality Information System

Organizations known for providing excellent Service quality are good at listening to both, customers & front line employees.

To do this effectively, companies need to create an ongoing **service research process** which is conducted through a portfolio of **research techniques** that form a firm's **service quality information system**.

Possible techniques include:

- **Transactional surveys**
- **Total Market Surveys**
- **Mystery Shopping**
- **New Declining & Former Customer Surveys**
- **Focus Group Interviews**
- **Employee Field Reporting**

Transactional Surveys

Designed to measure customer satisfaction & perceptions about service experiences while they are still fresh in customer's mind.

These surveys are conducted right after a service encounter or within few days.

For this, many service businesses, including hotels and restaurants, have questionnaires at their service sites for customers to complete the surveys.

Some companies also provide incentives to customers for completing the surveys.

Total Market Surveys

Purpose: To measure customers' overall evaluation of service quality, which are result of customers' accumulated experience over time

Less frequent than transactional surveys & includes wide range of information including:

Customer's service expectations & perceptions

Relative importance of service dimensions

Customers' intention to repurchase

Customers' intention to make positive recommendation

Marketers sometimes use tool called SERVQUAL, includes Five QUALITY DIMENSIONS.

Five Quality Dimensions

Tangibles

Appearance
of Tangibles
physical
elements

Reliability

Dependable
and accurate
performance

Responsiveness

Promptness;
helpfulness

Assurance

Competence,
courtesy,
credibility,
security

Empathy

Easy access, good
communication,
understanding of
customer

Five Quality Dimensions

Reliability: Is company dependable in providing service as promised?

Tangibles: What do the Service providers physical facilities, equipment, personnel & communication materials look like?

Responsiveness: Are service employees able to provide prompt service?

Assurance: Are service employees knowledgeable, polite, competent & trustworthy?

Empathy: Does service firm provides personalized & caring attention?

Mystery Shopping

Mystery shoppers are people who are hired by company to pose as ordinary customers.

During their unannounced visits to service sites, they observe the both the physical environment & the interaction between customers and employee.

It also provides feedback on performance of service employees, which can be used to reward exceptional performance.

New, Declining & former customer Surveys

Former customers can provide information about areas where a firm's service quality is lacking or deficient.

Surveys monitoring declining patronage can identify why customers are buying fewer services and may predict future customer defections.

New customers can provide information about what attracted them to a specific service provider.

Focus Group Interviews

Involve questioning a group of representative customers about a specific topic or issue.

Interviews conducted by trained moderators.

Useful way of getting in-depth information of a service problem & to identify possible solutions.

Can also be used to find out what criteria customers use to evaluate a service.

Employee Field Reporting

A systematic method of finding out what customers learn from their interaction with customers & their direct observation of customer behaviour.

Employees can also record critical incidents that occur during service encounters.

Data Collection by: Written surveys, telephone interviews or focus groups.

Activity# 4

Design 2 questionnaires to measure **service quality level** (based on **5 quality dimensions**) for the purpose of transactional survey of **new** and **declining** customers to assess the **seven service quality** gaps for a service industry of your choice.