

## **Characteristics of Service Quality to Delight Customers**

A customer of The Container Store completed her purchase and headed for her car, children in tow. She placed her package on the ground as she put the children in the car and then drove off forgetting the package. Realizing her mistake just a few minutes later, she returned to the parking lot, but the package was gone. She re-entered the store hoping that someone had turned in her package, but no one had. Salesperson James Castleberry remembered the customer and asked her what she had bought. He then proceeded to gather up the products, handed them to the customer without charge, and said “Your day will get better”. And it did, starting that moment.

Special Expeditions market offer is wondrous nature in its most authentic and - weather permitting – most glorious state. It provides total experience rather than only entertainment. Travellers interact with nature so closely that their experience often changes their lives. Special Expeditions ship The Sea Lion, was suffering a problem with the steering controls. The Engineers worked through the night but the ship would be late getting to Vancouver to pick up the passengers. The company owner, Mr. Sven-Olof Lindblad, called an old friend, the renowned wildlife artist Robert Bateman, who has a home overlooking the water at Fulford Harbour. Passengers were ferried from Vancouver to Fulford Harbour, fed dinner, and entertained at the Mr. Bateman home. The Sea Lion arrived and everyone boarded a little after midnight in the greatest of spirits.

In both the examples above, we see a common thread. Motivated and empowered staff determined to make their customers happy by providing good service. A service which is intangible and perishable. However effects of experienced service/ service encounters can be remembered long by their customers and word of mouth can bring in more customers.

Let us explore more about the role, growth, impact of services in our daily lives and unique nature of services.

### **Role, Growth and Impact of Services in Our Lives**

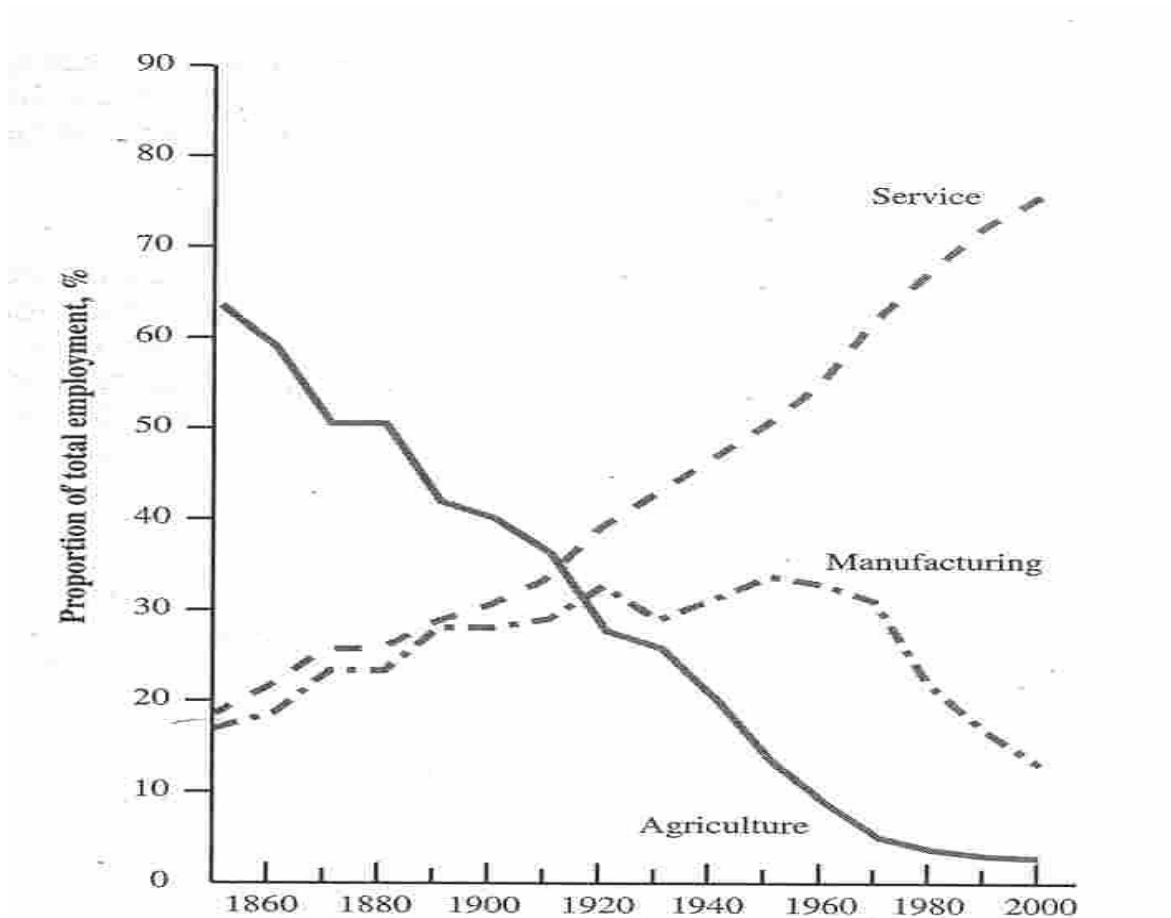
Service activities are absolutely necessary for the economy to function and to enhance the quality of our life. Consider, for example, the importance of a banking industry to transfer funds and a transportation industry to move food products to areas that cannot produce them. Government also plays a critical role in providing services such as public education, health care, well-maintained roads, safe drinking water, clean air, public safety etc. Service touches our lives of every person everyday.

In the early 1900s, only 3 of every 10 workers in the United States were employed in the service sector. By 1950, employment in services accounted for 50 percent of the workplace. Today, services employ about 8 out of 10 workers. See figure below. Scenario in other countries including U.A.E. is no different. The appetite of services, especially innovative ones, is insatiable.

Thus, services are no longer peripheral activities but rather form an integral part of our society and today lie at the heart of national economy.

**Trend in U.S.  
Employment by  
Sector, 1850-2000**

From US Department of Commerce, Bureau of the Census,  
*Historical Statistics of the United States*, 1975. p137  
and US Department of Commerce, Bureau of the Census,  
*Statistical Abstract of the United States*, 2003 p.619



**Service Quality**

Mr. James Fitzsimmons, Author of “Service Management” defines service as “a time-perishable, intangible experience performed for a customer acting in the role of co-producer.”

Services are ideas and concepts; products are things. Customers experience tangible products (like toothpaste, wrist watch) differently than intangible services (like air transportation). Customers can see and touch wrist watch, tube of tooth paste. In contrast service is intangible and is a promise. They must trust the service company to deliver on its promise and conduct itself honourably. Customer buys the service prior to experiencing it.

Services are performed directly for customers (e.g. Health care, Education) or for the customers' property (e.g. vacuum cleaner repair, dry cleaning, tailoring). Services performed directly for customers require customer's participation during the performance. Service providers interact with customers like cutting their hair, serving a meal, delivering a lecture, singing them a song, opening a bank account. Service depends on friendliness, competence, responsiveness and motivation of the service providers.

Recognising the unique nature of services, role and impact of service in our day to day life, ensuring service quality in delivery is becoming increasingly significant, important and a key differentiator in market place as buyers reliable, responsive and caring service as one of the key differentiator while making a buying decision,

### **Distinctive Characteristics of Services Vis a Vis Products**

Fundamentally services differ from products in terms of how they are produced, consumed, and evaluated. Some of the key characteristics unique to service are:

#### ***a. Intangibility:***

Services are basically intangible. The intangible nature of services also presents a problem for customers. When buying a product, the customer is able to see it, feel it, and test its performance before purchase. For a service, however, the customer must rely on the reputation of the service firm.

#### ***b. Inseparability:***

Production and consumption of many services are inseparable e.g. delivering a lecture. Quality in services often occurs during service delivery whereas quality in products is usually engineered at the manufacturing plant and delivered intact to the customer. Unlike goods producers, service providers do not have the benefit of a factory serving as a buffer between production and consumption. Service customers are often in the service factory, observing and evaluation the production process as they experience the services e.g. in KFC outlet.

#### ***c. Heterogeneity:***

Services especially those with a high labor content-are heterogeneous. Their performance often varies from producer to producer (performer to performer), from customer to customer, and from day to day. The quality of the interactions that bank tellers, flight attendants and insurance agents have with customers can rarely be standardized to ensure uniformity the way quality of goods produced in a manufacturing plant can.

#### ***d. Differing Standards and Criteria of Service:***

Services, as performances are difficult for customers to evaluate prior to purchase. The criteria customers use to evaluate service quality may be more difficult for the marketer

to comprehend. How customers evaluate investment services offered by a stockbroker is more complicated and varied than how they evaluate trouser materials. The only criteria that count in evaluating service quality are defined by customers. Service-quality perceptions stem from how well a provider perform vis-à-vis customers' expectations about how the provider should perform.

Customers do not evaluate service quality solely on the outcome of a service (e.g., how a customer's hair looks after a hair cut); they also consider the process of service delivery e.g., how involved, responsive, and friendly the hair stylist in during the hair cut.

#### ***e. Perishability***

A service is a perishable commodity. Consider an empty airline seat, an unoccupied hospital or hotel room, or an hour without patient in the day of a dentist. In each case, a lost opportunity has occurred. Because service cannot be stored, it is lost forever when not used. Plus the consumer cannot retain the actual service after it is produced. However the effect of the service can be retained for long time.

#### ***f. Simultaneity***

The fact that services are created and consumed simultaneously and, thus, cannot be stored is a critical feature in the management of services. This inability to inventory services precludes using the traditional manufacturing strategy of relying on inventory as a buffer to absorb fluctuations in demand.

The simultaneous production and consumption in services also eliminates many opportunities for quality-control intervention. A product can be inspected before delivery, but services must rely on other measures to ensure the quality of services delivered. Customers presence in these facilities and their participation in the service process expose them to errors.

#### ***g. Customer Participation in the Service Process***

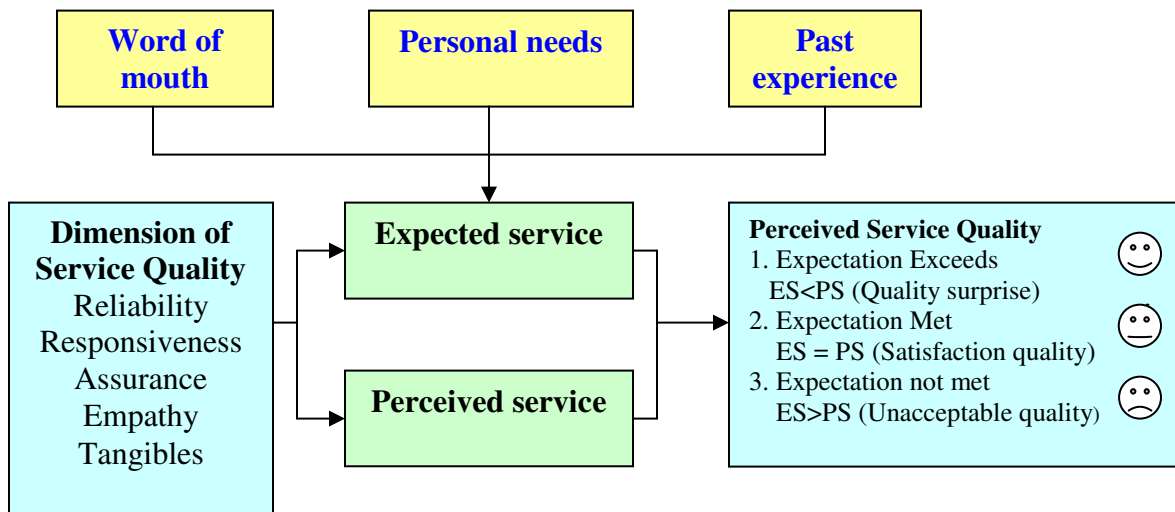
The presence of the customer as a participant in the service process requires an attention to facility design that is not found in traditional manufacturing operations e.g. self serve meal in a buffet restaurant. That automobiles are made in a hot, dirty, noisy factory is of no concern to the eventual buyers because they first see the product in the pleasant surroundings of a dealer's showroom. Attention to interior decorating, furnishings, layout, noise and even color can influence the customer's perception of the service.

#### **Dimension of Service Quality (SERVQUAL Model)**

For services, the assessment of quality is made during the service delivery process. Each customer contact is referred to as a moment of truth, an opportunity to satisfy or dissatisfy the customer. Customer satisfaction with a service can be defined by comparing perceptions of service received with expectations of service desired. When expectations are exceeded, service is perceived to be of exceptional quality, and also to

be a pleasant surprise. When expectations are not met, however, service quality is deemed unacceptable. When expectations are confirmed by perceived service, quality is satisfactory.

Mr. A. Parasuraman, V.A.Zeithaml, and L.L.Berry, developed “A conceptual model of service quality and its implications for future research”. The historic and landmark research, shown in figure below, with the dimensions of service quality, is based on their study of several different service categories: appliance repair, retail banking, long-distance telephone service, securities brokerage, and credit card companies. They identified five principal dimensions that customers use to judge service quality reliability, responsiveness, assurance, empathy, and tangibles.



## Conclusion:

Customers use these five dimensions namely, reliability, responsiveness, assurance, empathy, and tangibles to form their judgements of service quality, which are based on a comparison between expected and perceived quality. The gap between expected and perceived service is a measure of service quality: satisfaction is either negative or positive. These are applicable to all types of organisations, including manufacturing as they also have service delivery processes like HR, IT. Organisations face a challenge to design their service delivery systems to ensure consistent delivery of services by their service performers at all times.

The above article has been developed based on the research and teachings, on Service Quality by Mr. A. Parasuraman, V.A.Zeithaml, and L.L.Berry.

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