

Dimensions of
service quality
servqual model
marketing essay



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Philip Kotler defined service as an action or an activity which can be offered by a party to another party, which is basically intangible and can not affect any ownership. Service may be related to tangible product or intangible product. On the other hand, Zeithaml and Bitner (2003: 85) mentioned that, 'Service quality is a focused evaluation that reflects the customer's perception of specific dimensions of service namely reliability, responsiveness, assurance, empathy, tangibles.'

As per American Marketing Association (AMA), Service quality is 'an area of study that has developed to define and describe how services can be delivered in such a manner as to satisfy the recipient and high quality service is defined as delivery of service that meets or exceeds customers' expectations.' Based on the assessment of service quality provided to the customers, business operators are able to identify problem quickly, improve their service and better assess client expectation. (Business Dictionary. com)

1. 2 Importance of Service quality

Londe et al, 1988 stated that it is the customer service management that will derive the importance of service. In services marketing, customer service is regarded as a component of marketing mix. Zeithaml and Bitner, 1996 mentioned that high quality customer service is not just customer service department but all levels of management and staffs need to accept and have a state of mind regarding customer care.

On the other hand, Payne, 1995 added that there is pressure on customer service due to competition and technological. He also stated that higher standards of service are being demanded by consumers as they are

becoming more sophisticated and updated in their requirements and to them service refers as customer satisfaction, customer delight, service delivery, customer relationship, hence, to provide good service to customers, service companies need to take into consideration the important variables of service quality namely, assurance, empathy, reliability, responsiveness and tangibles.

Thus as per Payne, 1995 customer service and quality improvement initiatives are closely related to each other. Moreover, marketing, customer service and relationship marketing are brought together through relationship marketing and marketers are very concerned about the attainment of quality. (Christopher and Ballantyne, 1991)

However, different authors have stated that service quality has been associated as having clear relationships to the following factors:

Costs (Crosby, 1979)

Profitability (Buzzell and Gale, 1987; Rust and Zahorik, 1993)

Customer Satisfaction (Boltan and Drew, 1991; Boulding et al, 1993)

Customer retention (Reichheld and Sasser, 1990)

Behavioural intention and positive word of mouth (Anderson and Zeithmal, 1984; Philips, Chang and Buzzell, 1983)

Moreover, Anderson and Zeithmal, 1984; Philips, Chang and Buzzell, 1983 claimed that, customer's buying decisions are influenced by quality which is

considered as the most important purchase decision factor, it also contributes to market share and return on investment. Garvin, 1983 added that quality has strategic benefits in terms of improving productivity and lowering manufacturing costs.

1.3 Dimensions of Service Quality: SERVQUAL Model

According to A. Parasuraman, V. A. Zeithaml, and L. L. Berry, it is during the service delivery that the quality of services is assessed and the contact with each customer implies as a chance to satisfy or dissatisfy the customer, a moment of truth. They defined customer satisfaction with regards to service as ' by comparing perceptions of service received with expectations of service desired.' They also mentioned that an excellent quality of service is perceived when expectations are exceeded and on the other hand, service quality is considered as unacceptable when expectations are not met. Lastly, quality is satisfactory when perceived service confirmed expectations.

Parasurama Zeltham, I & Berry mentioned that service quality can be assessed through the following ten criteria and dimensions; Reliability, Responsiveness, Competence, Accessibility, Courtesy, Communication, Credibility, Security, Understanding/ knowing the customer, Tangibility.

In addition, Parasuraman, Zeithaml, and Berry (PZB's1988) introduced only five dimensions that is, the ten dimensions have been integrated in only five ones which led to the development of SERVQUAL model which consists of two words ' Service' and ' Quality'. Researchers agreed that these dimensions (which are often referred as RATER) are appropriate to help in revealing customers' expectations and perceptions which are as follows:

Reliability: The way the service is being delivered, that is, the ability to deliver the promised service precisely and consistently.

Assurance: Understanding and courtesy of staffs and their capability to inspire trust and confidence.

Tangibles: These include the appearance of employees, physical facilities being offered like equipment, buildings and nice decoration which form part of service experience.

Empathy: Helpful, care about the customers' requirements and the firm provides individual attention to its customers with compassion.

Responsiveness: Willingness to help customers, respond to their queries and also to provide rapid service to them.

Furthermore, as shown in the figure 1. 1 below ' A conceptual model of service quality with the dimensions of service quality' was developed by A. Parasuraman, V. A. Zeithaml, and L. L. Berry. They based their research on several different service categories like for example retail banking, long distance telephone service, credit card companies. Thus, they identified that tangibles, reliability, responsiveness, assurance and empathy were the five main dimensions used by customers to judge service quality.

Word of Mouth

Personal

Needs

Perceived

Service (PS)

Expected Service (ES)

Past

Experience

External

Communication

Perceived Service Quality:-

1. Expectation Exceeds

ES 2. Expectation Met

ES = PS (Satisfaction Quality)

3. Expectation not met

ES > PS (Unacceptable Quality)

Dimensions of Service Quality:-

Reliability

Assurance

Tangibles

Empathy

Responsiveness

Figure 1. 1: A conceptual model of service quality with the dimensions of service quality.

As shown from the diagram above, A. Parasuraman, V. A. Zeithaml, and L. L. Berry added that customers' judgements of service quality are based on a comparison between expected and perceived quality. They also stated that the gap between expected and perceived service is a measure of service quality that is satisfaction which is either negative or positive. They also found that in order to ensure consistent delivery of services organisations are faced with challenges to design their service delivery systems.

However, many authors have also put forward different conceptualisations over the time, like for instance three component structure- functional, reputational quality and technical by Gronroo's (1984). Five components namely level of customer satisfaction, customer interaction/staff, internal organisation, corporate image and physical support given to service producing system.(Nguyen, 1988)

1. 4 Internal Gaps in the SERVQUAL Gaps Model- Measures of Service Quality

A scale for measuring service quality, which is known as SERVQUAL was developed by Parasuraman et al, 1988. They added that this scale represents the gaps in service quality by calculating the difference between expectations and perceptions, evaluating in relation to the five service quality dimensions known as 'tangibles', 'reliability', 'responsiveness', 'assurance' and 'empathy.'

Word of Mouth

Communication

Past

Experience

Personal

Needs

Expected

Service

Perceived

Service Gap5

Consumer

Service delivery

(Including pre and post-contacts)

External

Communications to consumers

Marketer Gap 4

Translation of

Perceptions into service quality

Specifications Gap3

Gap 1

Management

Perceptions of consumer expectations Gap2

Figure 1. 2: SERVQUAL Gaps Model

From the Figure 1. 2 above, Parasuraman et al (1988) explained the following five gaps:

Gap 1: Consumer Expectation & Management Perception-While formulating service delivery policy, management does not correctly perceive or interpret customers' expectations.

Gap 2: Management Perception & Service Quality Specification gap-The rules and guidelines for employees are not properly translated into the service policy by the management.

Gap 3: Service Quality specification & Service Delivery gap- Staffs do not translate guidelines and rules into actions.

Gap 4: Service Delivery & External Communications gap-The external communications; promises made to the customers which do not match the actual service that is being delivered.

Gap 5: Expected Service & Perceived Service-This depends on the size and direction of the four disconfirmations linked with the delivery of service quality on the marketer's side.

Parasuraman et al (1988) also stated that the SERVQUAL Model shows the relationship between the external Gap 5 (perceived quality as experienced by customers) and the internal Gaps 1-4. They also reported that if Gaps 1-4 are reduced then this can lead to improvement in service quality and a particular strength of this approach is to examine whether the organisation's views are in line with customers views about quality.

The SERVQUAL scale has been examined in several studies conducted in a range of service settings, geographic locations and cultural contexts like for instance the quality of service offered by banking (Cronin and Taylor, 1992; Spreng and Singh, 1993; Sharma and Mehta, 2004), a hospital (Babakus and Mangold, 1989). In contrast, these studies mentioned do not support the factor structure proposed by Parasuraman et al. (1988). According to Lapierre et al., 1996, there were criticisms with regards to the universality of the scale and its dimensions and it is suggested that customization is required to the specific service sector in which the dimensions are applied.

Carman, 1990 mentioned that in SERVQUAL both customer expectations of store service and store service performance are clearly measured to assess the ' gap'. He also put forward that as per several researchers the performance perceptions is considered to be enough in assessing service quality as compared to the gap.

1. 4. 1 Using Gaps to Identify Causes of Poor Service Quality

Gronroos (1990), Zeithaml, Bitner and Grambler (2005) mentioned that by using the five gaps identified in the SERVQUAL model, several factors were found which contributed to the failure in delivering service quality expected by customers, these factors are as follows:

Gap1: Factors causing a gap between Customer Expectation and Management Perception are:

There is no interaction between management and customer- Managers think that they are aware about customers' needs and requirements, hence, they do not invest in marketing research. This can cause problem in satisfying customers as customers' expectations and demands are changing constantly, for instance, in the case of mobile phone telecommunications and entertainment.

The next factor is that there is inadequate upward communication since there is the number of layers of management between top managers and customer-contact personnel that is the hierarchy of the organisation.

Gap 2: Factors causing a gap between Management Perception and Service Quality Specification:

There is insufficient management commitment to service quality. Managers talk about service quality as something they want to achieve but in reality, it is not the case they motivated mainly by profits. They are more concerned about how to generate revenue and reduce cost. Therefore they pay less attention to the quality of service being delivered to customers.

Another factor is the degree to which the service can be appropriately standardised. In certain services it is possible to pursue standardisation where almost every action and interaction with customers is carefully scripted. However, for services such as medical or health care that value empathy and responsiveness, customisation is needed as these services cannot be well standardised since every person will not require a similar service.

Another factor which may cause a gap is the perception of feasibility. This shows the extent to which it is possible that perceptions of managers meet customers' expectations. Management is aware that customers have some expectations but employees find that meeting these expectations is impossible. This impression may be due lack of confidence, ability in employees which may be caused by lack of organisational skills, resources or capabilities.

Gap 3: Factors causing a difference between Service Quality Specification and Service Delivery:

This gap occurs when the employees are not willing and able to perform the service designated by the organisation. The possible reasons are there is not adequate team work within the organisation and this result in lack of co-operation with managers or colleagues. The employees may also not feel committed or personally involved in delivering a good service.

Poor employee-job fit in any organisation can lead to failure in service delivery. Lack employee-job fit reflects the extent to which an employee is

not able to perform the service effectively. Hence, any organisation must make sure that the employee is suited for the job.

Lack of technology-job fit is another factor that will cause the gap between service quality specification and service delivery, that is, there need to have appropriate and adequate tools, equipments or technology that employees can use to deliver service.

Inappropriate supervisory control is another factor responsible for the gap between service quality specification and service delivery, since, the numbers of customers served by employees (output control systems) are usually not appropriate to measure employee performance relating to delivering quality service.

Role conflict may lead to gap between service quality specification and service delivery. This occurs when there is not sufficient time to serve customers but customers are expected to cross-sell services to the consumers.

A last factor is role ambiguity. Employees may not be certain about what is expected from them by the management in terms of their job and efforts and how to meet those expectations. It is important for employees to have an accurate understanding of what is expected from them to be able to deliver a proper service.

Gap 4: Factors causing a difference between Service Delivery & External Communications:

This gap occurs due to management's propensity to over promise. It is the external communications that enhance customers' expectations; hence, these need to be accurate. If the promised service did not match the serviced delivered then this will lead to disconfirmation of the expectations of customers.

Inadequate horizontal communication between the employees who are in charge for the company's external communication and operational, advertising personnel or sales, marketing operations within the company.

There can also be differences in policies and procedures across the organisation, for instance inaccurate instructions and procedures for front office employees. It is essential for the staffs to be aware about the promises made in advertising campaign before they are communicated to the customers.

Gap 5: Factors causing a gap between Expected Service and Perceived Service:

The main issue which causes a gap between expected service and perceived service is the service quality provided by the organisation is too low while customers' expectations are too high.

1. 4. 2 Criticisms of SERVQUAL

1. 5 Importance of Customer Satisfactions

According to McColl-Kennedy and Schneider, 2000; Reichheld and Sasser, 1990, one of the major aims of every business is to satisfy customers and businesses find that it is more profitable to retain existing customers than to

acquire new ones. They also added that management and marketing theorists put emphasis on the importance of customer satisfaction for a business to be successful. Dutka, 1993 highlighted that the role of customer satisfaction is recognised as the central component of the award process by the prestigious Malcolm Baldrige National Quality Award. Customer's perceptions of quality influences customer's satisfaction (Zeithaml and Bitner, 2000).

1. 6 Importance of Customers' Expectations

Kamper, van Helsdingen and de Vries jr (1999: 25) reported that the important features of service marketing is to create customers' expectations by providing fair and honest information. They also added that there need to be proper communication between the service providers and customers in such a way customers will know what to expect from the company, as unjustified, wrong and false expectations will lead to dissatisfaction. They also put forward that such a situation can result in negative word-of-mouth communication, complaining, customers can shift to other competitors and this lead to a low degree of repeat purchases and brand loyalty.

1. 7 Expectation and Perception

Zeithaml and Bitner (2000: 28) define customer expectations as “ beliefs about a service that serve as standards against which service performance is judged.” In other words, expectations help customers predict what should happen rather than what might happen. (Zeithaml & Bitner, 2000: 27) also describe customer perceptions as “ the subjective assessments of actual service experiences.” In this study, expectation means what service the customers want to obtain from the restaurant; perception means what kind

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of service perceived by the restaurant managers the customers want to obtain.

1. 8 Definition of Night Club

As per Oxford Dictionaries, a night club is defined as ‘ an establishment for night time entertainment, typically serving drinks and offering music, dancing that is, it is a club that opens from the evening until early morning, having facilities such as a bar and disco or other entertainment.’ On the other hand, according to Macmillan Dictionary a night club is simply ‘ a place where people go in the evening to dance, drink alcohol, or watch entertainers and Nightclubs often stay open very late.’

1. 9 Service Quality in Night Club

1. 8 Customers’ Expectations from Night Club