

Background  
information curacao  
surveillance services  
css marketing essay



## **Chapter 1: General Introduction**

### **Introduction**

This chapter part will give an overview and general description of the company and the market they are exercising in; besides the background of the company, followed by the problem area(s), research question and sub problems; the purpose and limitations of the study finalizing with the setup of the thesis.

Service quality and customer satisfaction are very important concepts that organizations must understand in order to remain in the business and competitive in the market they are exercising in. It's essential for companies to know their customers with the aim of to better understand their needs and demands and hence satisfy them. Changes in customer demands certainly require new skills and these skills represent an opportunity for creative and aggressive employees and management to recognize and deliver the service-quality that the increasingly demanding customers have come to expect and are waiting to perceive (Zeithaml & Parasuraman, 2004).

Understanding the motivation, expectations and the desire of your customers gives a foundation in how to best serve them. The importance of clearly defining the key concepts of satisfaction provides a template by which information can be gathered about what is, and what is not working. If companies can recognize these opportunities and deliver the quality service, they will have the opportunity to ensure customer satisfaction. Satisfying customers is one of the main objectives of every business. Businesses must recognize that keeping current customers is more profitable than having to win new ones to replace those lost. Customer satisfaction is an asset that <https://assignbuster.com/background-information-curacao-surveillance-services-css-marketing-essay/>

should be monitored and managed just like any other physical asset (Naik, Gantasala & Prabhakar, 2010).

Given the financial and resources constraints under which service organizations must manage it is essential that customer expectations are properly understood and measured and that from the customer perspective any gaps in service quality are identified and not least within the security service industry. Given the fact that security companies provide protection against robbery resulting from a variety of perils through alarm system monitoring and surveillance services; and based on the magnitude of the services provided and the fact that it's applicable for private purposes as well as businesses, it is essential for a company including a security service company to meet the changes in their customers' demands in order to maintain customer committed and satisfied over time. Incorporating the changes in customers' demands on a regular basis would allow the company to gain satisfied, loyal customers over time (Shahin, 2006).

## **Background of the study**

### **Background information Curacao Surveillance Services (CSS)**

Everyone living on the island of Curacao or Bonaire (individual or legal entity) had or will have direct or indirect contact with security service companies. Think for example about monitoring of your alarm system for both private residences and/or business, surveillance services, GPS tracking system for vehicles, or guard force supervision. Security is measures incurred to secure and protect objects or individuals against harmful influences. Those influences can come from outside, such as terrorism and <https://assignbuster.com/background-information-curacao-surveillance-services-css-marketing-essay/>

organized crime, but also from within, for example, fraud and embezzlement. Security is a way to reduce risks and make it more manageable in order to increase safety. Protectors and security guards are supervisors which on behalf of a private, corporate or government agencies monitor compliance with laws and regulations.

Curacao Surveillance Services (hereafter referred to as: CSS) is a security company specialized in a complete source for security monitoring services, burglary, fire and medical emergencies operating also in Bonaire. They offer a state-of-the-art computerized monitoring center and a completely redundant back-up system. The owner of CSS, Mr. Ke-Chi Chang decided in 1993 based on a conducted economy and market research on the island of Curacao to start his own business. He came with a unique concept, which included the monitoring of private homes and businesses. Alarm systems were installed and programmed by third parties to the system of CSS. CSS offers:

24/7 Surveillance services;

Monitoring of alarm system for both private dwellings and business;

Remote video and virtual tours surveillance;

GPS tracking system for vehicles;

Fleet management and tracking;

Third party guard force supervision.

Pursuant to “ Wapenverordening 1930: Verordening van den 4 januari 1930, houdende nadere voorzieningen op het stuk van wapenen en munitie (P. B. 1930, no. 2). Verordening van en 7den november 1931, houdende nadere voorzieningen op het stuk van wapenen (P. B. 1931, no. 77). CSS is in possession of a license to provide abovementioned security services and make the necessary steps and actions incase this is required to guarantee his own safety but also the customer’s safety and well-being.

CSS makes over the years a considerable growth and has an amount of 65 staff members. These are spread across the different departments and the different shifts (day shift, evening shift and night shift). The central station receives all the incoming calls including alarm notifications. While the patrol officers (4 working in each shift) are the ones send to the location as notified by the central station officers. The guards are spread at “ Kranchi, Buro Rijbewijs, Bloempot, Piscadera Bay resort & Schlumberger” (Figure 1-1).

## **Figure -1: Organizational Structure of CSS**

### **Mission**

The mission of CSS is to grow in alarm monitoring and follow-up, and to become the number one company in the market/business they are operating but also in the Caribbean Region with regards to the services they provide; achieve and maintaining a reliable image for the company; in order to maintain the confidence of customers, to increase market share by offering their services at lower prices, to continuously maintain the quality of the service, while meeting and exceeding customer expectations. While taking

into consideration abovementioned specific problem/constraints that can only be influenced indirectly by CSS management and employees.

## **Competitors**

As indicated by Mr. Evertsz their biggest competitors are listed below and are limited to those:

AVD Security Systems (previous name CVD Security Systems); [http://t1.gstatic.com/images?q=tbn:](http://t1.gstatic.com/images?q=tbn:ANd9GcRFdlsxqAVedpT1dMCKSn4jAdBten6ElrjchOkbTGZpR0F790SCCLmJog)

[ANd9GcRFdlsxqAVedpT1dMCKSn4jAdBten6ElrjchOkbTGZpR0F790SCCLmJog](http://t1.gstatic.com/images?q=tbn:ANd9GcRFdlsxqAVedpT1dMCKSn4jAdBten6ElrjchOkbTGZpR0F790SCCLmJog)

Securitas Antias;

Speedy Security N. V.;

Pinedoe Security Services N. V.;

For all of these companies, price, goodwill and definitely the quality of service are the most effective marketing tools to attract and retain existing customers in this competitive market; based on the fact that alarm system, security prices and the way of doing business of each and every security company is different. That's why emphasizing on offering cheaper prices and better service is advisable. Offering better service resulting in customer satisfaction are internally based processes, components, standards and criteria's that a business strives to achieve. These are the performance goals and targets set forth by the business, for the business. Meeting or exceeding these is often an indicator of success or failure. In order for a business to meet these goals and targets, the companies must also know its

competitors. This information is vital not only for the success of the business by doing some benchmark but also for understanding and improving customer satisfaction (Naik, Gantasala & Prabhakar, 2010). Customer are more challenging components for any organization rather than only their competitors. Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a service or product perceived performance (or outcome) in relation to his or her expectation. Each and every factor is equally important and competitive each other, but the customer prefers the some factors that are superior to select the brand and/or company of their preference. These factors are among others, after sales service, loyalty programs, sales person behavior, reliability, competitive prices but also customer service (Krishan & Hari, 2011)

### **Specific problem**

Will the process of not complying with customer satisfaction based on the 5 dimensions of SERVQUAL affect the growth and success of the company, resulting in his des-continuity?

One of the main ingredients of success in the market place is customer satisfaction. Customer satisfaction is the extent to which a firm fulfills customer's needs, desires and expectations (Perreault & Mc Carthy, 2002). Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product and/or service perceived performance (or outcome) in relation to his or her expectations. If the performance falls short of expectations the customer is dissatisfied. If the performance exceeds the expectations the customer is satisfied. Effective marketing focuses on two activities: retaining existing customers and adding new ones. Customer <https://assignbuster.com/background-information-curacao-surveillance-services-css-marketing-essay/>

satisfaction is a strong predictor of customer retention, customer loyalty (Krishan & Hari, 2011).

Therefore many countries have implemented a universal benchmark for quality assurance, ISO certification (Zeithaml & Parasuraman, 2004). ISO 9001-2000 is related to both service and production industries and ISO 10002-2004 provides guidance on the process of complaints and enhances customer satisfaction by creating a customer-focused environment.

According to ISO 9001-2004 customer satisfaction is defined as: the perception[1]of the customers regarding the ability of the company and extent to which their requirements are being fulfilled (Nederlandse norm NEN-ISO 10002, 2004).

According to van den Berg & van Dooren 96% of dissatisfied customers never complain, 60% of the silent dissatisfied customers will not buy from you again, and 90% of those who do complain will not come back. Stating that “ In the wake of increasing globalization, customers has become increasingly conscious not only of what they buy, but also how the goods and services they buy have been produced and delivered”.

Various factors determine the level and extent of customer satisfaction and several others have been brought to light by marketing research. But this information is far away for some companies engaging in producing products and services, this because they have never conducted a customer satisfaction survey or analyses. Besides are not even interested in knowing how satisfied or dissatisfied their customers are. Consequently producers



and/or service providers are unable to exploit this information for their success.

Based on the above-mentioned CSS has also never conducted such a survey or analyses making it difficult or even impossible for them to determine in which extend their customers are satisfied or dissatisfied with the services provided. Consequently they're unable to exploit this information in order to propagate in their business and overall market environment.

## **Market information**

According to the Central Bureau of Statistics (CBS) the total population of Curacao in 2010 was estimated at 142. 180. If compared to the population of 2011 of 145. 406 inhabitants (see table 1-1 below) it indicates an increase of 2. 269%

### **Table 1-1: Age distribution Curacao, January 1st**

Age 0 - 29

30 - 59

60+

Total

Amount 56771

62643

25992

145406

Source: Population Registry and CBS estimates (<http://www.cbs.cw/cbs/themes/Population/Data/Population>)

In 2010 CBS allocated the population according to the number of registered cases of crime by category (see table 1-2). As can be noticed the number of property crimes decrease in 2010 with approximately 28% compared with 2009. And as indicated by the Mr. Evertsz (Operation Manager CSS), one reason for this drop is the fact that people start feeling more insecure resulting in more people installing alarm system and connect it to security companies. But also, insurance companies nowadays require installing alarm systems in order for them to insure the household effects.

### **Table 1-2: Registered cases by crime category**

Crimes

2006

2007

2008

2009

2010

Type of crime

337

405

436

486

577

Property

180

200

226

430

308

Violent

13

20

40

81

59

Moral

454

344

581

582

533

Drug offences

63

105

127

98

102

With firearms

19

123

167

129

626

Others

1066

1197

1577

1806

2205

Source: Public prosecutor ([http://www.cbs.cw/cbs/themes/security and justice/Data/security and justice](http://www.cbs.cw/cbs/themes/security%20and%20justice/Data/security%20and%20justice))

Besides the amount of building build and completed increased with approximately 8% in 2010 if compared with 2009, of which dwellings in 2010 increased with 45% if compared with 2009.

In order to be connected to a security company you must have a fixed telephone connection at the premises where the alarm system will be connected. Based on this, the total amount of fixed telephone connection during increased in 2011 with approximately 2% compared with 2010 (see table below).

### **Table 1-3: Fixed telephone connection**

Year 2010

Year 2011

204024

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206294

Source: Bureau Telecommunication & Post ([http://www.cbs.cw/index.php?option=com\\_jumi&fileid=31](http://www.cbs.cw/index.php?option=com_jumi&fileid=31))

All these increases indicate an increase of the market resulting in an increase in CSS's target market consequently could indicate an increase in CSS potential new customers.

## **Target market analyses**

As part of the interview with CSS Operation Manager the following question was asked: 'Who are CSS target group?' This was analysed and answered as follows: "CSS target customers are the all people (man or women) or organizations on the island of Curacao with an income above the minimum wage, which is a monthly income of approximately 1.500 and above; and they must own and/or rent a house or apartment". But even though the above mentioned CSS target group can be described very broadly, this based on the fact that everybody living on Curacao can be subscribed at a security company in order to protect their properties and themselves even though they have a monthly income below the amount indicated.

## **Research question and Sub-problems**

### **Specific Problem**

The main issues addressed in this research are service quality and customer satisfaction using the SERVQUAL 5 dimensional model (tangibility, reliability, responsiveness, assurance and empathy) concept in the security service context. The SERVQUAL model will be investigated and analyzed, from the

customer's perspective through assessing their expectations and perceptions. Therefore the following question will be answered through this research: Will the process of not complying with customer satisfaction based on the 5 dimensions of SERVQUAL affect the growth and success of the company, resulting in his des-continuity?

## **Sub-problems**

Questions were composite based on the relationship between the dependent and the independent variables of the SERVQUAL model.

How do CSS customers perceive service quality based the SERVQUAL tangible, reliable, responsiveness, assurance & empathy service dimensions?

What do customers expect from CSS service quality based the SERVQUAL tangible, reliable, responsiveness, assurance & empathy service dimensions?

Does CSS service delivery process comply with standards regarding international security service procedures and regulations?

What are the main reasons for false alarms and what can be done by CSS and the customer itself to minimize the amount?

The research methods used consists of interviews with the manager and the employees (patrol officers, centralist & guards) a confrontation of the survey interview with customers of CSS based on the SERVQUAL measurement models; but also and literature review (books & publications).

## **Purpose of the study**

Unique and differentiated service is the current key to success (Kotler & Keller, 2006). Customer's expectation answered service is indispensable to achieve the company's marketing and financial goal.

As indicated by Mr. Evertsz, he and Mr. Broman is directly in charge and responsible for customer claims and damage control and decisions regarding work conditions, & processes descriptions while the customer service is provided by the administrators, payroll officers but also the guards they are the ones directly working with the clients and delivering the service itself.. But one main problem that the company is confronted with which has nothing to do with the service itself is the fact that the amount of false alarms are incrementing drastically (see table 1-3). And this can only be indirect influenced by management and the service providers (administrators, patrol officers or guards).

### **Table 1-4: Total Alarms from June 1st, 2011 to May 31st, 2012**

Signals

Per year

Per month

Per day

Per Hour

561138



46762

1533

64

In order for further analyses the reasons of those alarms they were categorized in the different types of false alarms notifications and the amounts.

### **Graph 1-1: Amount of false alarms by category**

Therefore, the purpose of this study for CSS is on the aspect of the company's customer service quality, as it is an unambiguous key to competitive advantage in the market, but also how management can become more logical and integrated with respect to the prioritized service quality dimensions and their affections on increasing/decreasing service gaps; by taking into consideration abovementioned specific problem that can only be influenced indirectly by CSS management and employees.

The goals of this research are among others to understand and get more insight into the organization and management in order to investigate how satisfied or dissatisfied 'their' customers are the reasons why, and give recommendations where necessary, especially where it concerns customer satisfaction and false alarms notifications. According to Bosma Research International (2004), when maintaining a consistent level of customer satisfaction you need to know:

What feedback your customers have about your company's products and/or service;

Secondly it is important that your product and/or service delivery processes and policies are compatible with your quality standards and delivery systems;

It is also essential that employees are committed to and trained to implement quality service.

The relevance of the research for CSS is to get some ideas about which factors measure the quality of service. Since the service is intangible it is quite difficult to measure. General purposes are factors that impact customer satisfaction:

To describe the impact of service quality and customer satisfaction of CSS;

To know service quality (SERVQUAL) dimensions that make customer satisfied;

For CSS have a tool to measure their customer satisfaction level;

To give some guidelines and recommendations regarding service quality and false alarm notifications by taking into considerations that it only can be influences indirectly.

In other words, the intention is that the research result of ' customer satisfaction towards CSS customer service' could be use; as the measurement of its service quality. By making use of the data of this

research, it could be considered advantageous to see the room for improvement as well as learn the expected service criteria from the customer perspectives; of which, if the company could reciprocate, would be very beneficial. Besides it could help CSS to find a plausible and direct way to influence the false alarm notifications.

## **Limitations**

Since customer satisfaction is a broad theme and different models and concepts have been developed in order to quantify and quality customer satisfaction. But to narrow down the focus of this study the following criteria's has not be taken into consideration. We will use for this study the SERVQUAL model developed by Berry, Parasuraman & Zeithaml. Besides the SERVQUAL model is limited/focus only on service delivery organizations. Furthermore we will only consider for the purpose of this research the competitors (4) as indicated by Mr. Evertsz this based on the following criteria's, the signs (house signs) posted at each customers house entrance, the way of reacting on alarm notifications and finally the guards services. Besides CSS has a branch at Bonaire but for this research we will only focus at their branch at Curacao.

## **Set-up of the Thesis**

Chapter 2 is the theoretical framework, consisting of theories regarding the consumer satisfaction and the conceptual model (SERVQUAL model). Furthermore theory related to the 5 dimensions tangibility, reliability, responsiveness, assurance and empathy. Chapter 3, methodology consist on information regarding procedures and the participants related to the study; followed by the instruments used and the validity of the survey, finalizing <https://assignbuster.com/background-information-curacao-surveillance-services-css-marketing-essay/>

with representativeness of the research by using the Chi-square approach. The chapter of research analysis Chapter 4, it's where the survey and the interviews conducted will be analyzed together with the analysis of the customer service and the SERVQUAL model; Indicating that theory and research data will come together. Finally with the false alarm research report Chapter 5, the conclusion and recommendation, where the main problem is being answered, the SERVQUAL gaps are closed and improved, followed by a conclusion and recommendation.

## **Chapter 2: Literature Review**

### **2. 1. Introduction**

This chapter provides an overview regarding the SERVQUAL model, his advantages and disadvantages; followed by the variables (independent and dependent variables) that constitute the model; and finalizing with a conclusion.

Knowing the customer(s) is the key to a successful customer service as the idea is to create, deliver and communicate superior value. The service and/or products offer should answer to the needs and demands. Customers are the most important people for any organization. They are the resources upon which the success of the business depends. Understanding customers are necessary not only because of their effect on marketing decisions but because customers' activities influence the entire organization. When thinking about the importance of customers it's useful to remember the following points (Christ, 2009):

Repeat business is the backbone of selling. It helps to provide revenue and certainty for the business;

Organizations are dependent upon their customers. If they do not develop customer loyalty and satisfaction, they could lose their customers;

Without customers the organization would not exist;

The purpose of the organization is to fulfill the needs of the customers;

The customer makes it possible to achieve business aims.

Customer demands and preferences of different products and services is a subject of concern for many business areas. For the security service industries it means providing a variety of products and services that customers want. However, these customers' preferences and choices are not similar from one customer to another. These differences make it hard for the security services companies as for other businesses to meet diverse demands. Thus, the knowledge of customers' preferences and their choices of products and services provided is one of the most significant characteristic for meeting customers' expectations and exceeding their perceptions.

Based on the abovementioned nothing would benefit companies more than an accurate and valid measure of service quality that helps them in measuring their performance. Such a measure would help them in evaluating their performance and taking corrective actions wherever required in order to achieve their mission (Guar & Agrawal, 2006).

## **2. 2. Service Quality (SERVQUAL)**

### **History**

As early as 1985 the authors Parasuraman, Zeithaml and Berry identified ten components of service quality namely Reliability, Responsiveness, Competence, Access, Courtesy, Communication, Credibility, Security, Understanding/Knowing the customer, and Tangibles. These ten components were later (1988) merged into five dimensions namely Reliability, Assurance, Tangibles, Empathy and Responsiveness. Of the original ten components only three components remain - Reliability, tangible and Responsiveness remained distinct, while the remaining seven components merged into two aggregate dimensions of Assurance and Empathy. SERVQUAL was developed by measuring service quality across service environment (Guar & Agrawal, 2006). Measurement allows for comparison before and after changes, for the location of quality related problems and for the establishment of clear standards for service delivery (Shahin, 2006)

### **The SERVQUAL model**

Service quality is linked to the concept of perceptions and expectations. Customers evaluate service quality by comparing what they expect with how a service provider actually performs. Thus, service quality can be defined as the difference between customers' expectations of service and their perception of actual service performance; formally the degree and direction of discrepancy between customers' service perceptions and expectations. "Service quality is a measure of how well the service level delivered matches customer expectations. Delivering quality service means conforming to customers expectations on a consistent basis". Customers' perceptions of

service quality result from a comparison of their before-service expectations with their actual-service experience. The service will be considered excellent, if the perception exceed expectations; it will be regarded as good or adequate, if only equals the perceptions; the service will be classed as bad, poor or deficient, if it does not meet them. Based on this the authors developed a scale for measuring service quality, which is mostly popular know as SERVQUAL. This scale operationalizes service quality by calculating the difference between expectations and perceptions, evaluating both in relation to 22 items that represent the 5 service quality dimensions knows as Tangibles, Reliability, Responsiveness, assurance and Empathy (Zeithaml & Parasuraman, 2004).

### **Figure 2-1: Conceptualization of the SERVQUAL model**

SERVQUAL is the dominant approach to quantitatively assessing service quality. Using a survey approach, SERVQUAL elicits ratings of customer's expectations and perceptions on each of the five dimensions described above. Service quality can be also described as "closing the gap" between expectations and perceptions of service. Research has identified four "company gaps" that underlie the overall shortfall in customers' expectations/perceptions as developed by Zeithaml, Parasuraman and Berry. In this study of SEVQUAL analysis, 21 questions instead of the original 22 will be used to measure the performance across abovementioned five dimensions, using a five (5) point likert scale measuring both customer expectations and perceptions. After data collection by means of the questionnaires the gap between customer expectations and perceptions will try to be closed.

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The gaps model positions the key concepts, strategies, and decisions in delivering quality service in a manner that begins with the customer and builds the organization's tasks around what is needed to close the gap (see figure 2-2).

## **Figure 2-2: SERVQUAL Gaps-Model**

Source: Zeithaml, V. & Parasuraman, A. (2004)

The graph illustrates that the central focus (top half) of the gaps model is the customer gap. To close this all-important customer gap, the model suggests that four other gaps-the provider gaps-need to be closed. The numbering of the gaps from 1 to 5 represents the sequence of steps (i. e., market research, design, conformance, communication, and customer satisfaction) that should be followed in new service process design.

### **SERVQUAL Gaps**

Gap 1: Not Knowing What Customers Expect - gap 1 is the difference between customer expectations of service and company particularly management, understanding of those expectations. A number of factors have been shown to be responsible for gap 1. First, because marketing research is a key vehicle for understanding consumer expectations and perception of service, the size of gap 1 depends greatly on the amount of marketing research conducted. A second factor is lack of upward communication. Frontline employees often know a great deal about customers but management may not be in contact with frontline employees and may not understand what they know. A third factor is a lack of company strategies to retain customers and strengthen relationships with them. A



finally, inadequate attention to service recovery - understanding why people complain and what they expect when they complain and how to develop effective strategies for dealing with inevitable service failures.

Gap 2: Not Selecting the Right Service Design and Standards - a recurring challenge in service companies is the difficulty of translating customers' expectations into service quality specifications. Thus, provider gap 2 reflects the difference between company understanding of customer expectations and development of customer-driven service designs and standards. A number of factors have been shown to be responsible for gap 2. First of all, inadequate commitment to service quality; secondly a perception of unfeasibility, and finally, inadequate task standardization and an absence of goal setting.

Gap 3: Not Delivering to Service Standards - is the difference between development of customer-driven service standards and actual service performance by company employees. Even when guidelines exist for performing services well and treating customers correctly, high quality service performance is not a certainty. Standard must be backed by appropriate resources (people, systems and technology) and also must be enforced to be effective - that is, employees must be measured and compensated on the basis of performance along those standards. Thus, even when standards accurately reflect customers' expectations, if the company fails to provide support for them - standards do not good. Factors influencing gap 3 are: poor employee-job fit and poor technology fit, inappropriate supervisory control systems, lack of teamwork and perceived control.

Gap 4: Not Matching Performance to Promises - advertising, sales force and other communications set the standard against which customers assess a company's service quality. Ensuring that all the company's external messages are aligned with what the company delivers is more difficult in service because what is delivered critically depends on employees' interactions with customers. This is also a result of inadequate horizontal communication and propensity to over-promise.

Gap 5: Not D