

Report on service encounters



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REFERENCE LIST 10 APPENDICES 12 1. 0 INTRODUCTION The purpose of this report is to perceive the intended meaning of the six service encounters that has been visited. In this report, the service encounters has three levels of customer contacts i.

e. high-contact services, medium-contact services, and low-contact services which creates part of the service as a system (Lovelock, Patterson, and Walker, 1998). It is important to also understand the framework of evaluation service encounter because it is relate closely with customer-contact and how the orientation of customer-driven orientation match with the expectation, which has been discussed in many marketing academic journals. It can be seen later in the report that one of the several factors that are known to influence customers' evaluations of the services encounters also is the role of emotion. In recent studies shows that not only emotion but also the customer expectation will affect the customer satisfaction and service quality.

According to Cronin et al (2000), emotions and quality is the base of attributes to satisfaction. A stronger relationship could be gained through a development of positive emotional responses between the customer and the individual employees (Liljander and Strandvik, 1995). Through the strong positive emotional responses, it could create a strong relationship and this can give firm a possibility to respond to service failure. 'Service failure' will also be discussed in this report, because it is part of the risk in losing customers in an organization (Zemke and Bell, 1990). Therefore, in this report also the identifying fail points of the services is highly important as closing the service gaps through understanding the expectations which is the Gap 1 (Appendix 2) i.

e. learn what customers expect. Here, the 'Gap' model of service quality will be used as part of the recommendation of the report as the service recovery. This is because by restoring and correcting satisfaction and service quality, customers' satisfaction can lead to a long-term relationship and thus creates loyalty in customer.

2. 0 BODY 2. 1 Service encounters, service relationship and level of customer contact. The definition of "service encounter" can be defined in different ways. One of it that has been defined by Den Haring and Mattson(1999, p28), "as the time frame during which a customer directly interacts with service providers".

In another word, service encounter occurs when a stranger had one-time communication with no expectation of interacting in the future (Guttek, et al, 2000). Due to the service encounter, a service relationship could be gained

through the encounter. Customer that engages in repeat contact will achieve a permanent acceptance of relationship. In this report, the level of customer contact plays an important part in creating a service system that will result a service relationship in the end of the encounter. There are three levels of customer contact i.

e. i) high-contact services, (ii) medium-contact services and (iii) low-contact services. Based from the word itself defined the level how customer involvement with the service organization (Lovelock et al, 1998). From the six service encounters (Appendix 1), encounters 2, 3, 4, 5 and 6 shows a high-contact services that the service provider and I are actively involved throughout the service delivery. As for encounter 1 it shows the medium-contact services that involve less with the service provider as the procedures of had little contact with the service personnel.

. 2 The framework of evaluation of services encounter A typical model of a customer's decision process will go through the pre- purchase phase, purchase, consumption and the post-purchase evaluation. Briefly, the six services encounters were typically go through a series of customer and service provider interactions and the recovery process i. e. the post-purchase evaluation. In this report, the purchase and consumption of the services phase occurs at the same time of the interaction between the customer and the service provider (Lovelock et al, 1998).

Therefore, each service encounters that has been visited has an equal opportunity for the provider to help customer maximize the quality of the consumption experience as it has a direct influence in the purchase and

consumption phase. For example, in encounter 2 (Appendix 1) which is a visit to the restaurant in Bondi and has a high- contact service – the waitress could have ask the customer if the customer is doing alright as a step to catch potential problem but failed to do so (Lovelock et al, 1998). The consequences of potential problems of has not been rectify earlier with service provider will some what influence the customer’s overall post-purchase evaluations. 2.

2. 1 Customer expectations and customer emotions in the services

encounters Several factors are also known to influence customers’ post-purchase evaluations of the service encounter i. e. the expectation and emotions of the customers. Based from the six encounters, its can be seen that the role of customers emotions and customer expectations also goes hand in hand with the level of consumption experience (Oliver, 1997). According to Lovelock et al (1998, p102), “ emotions are distinguished from moods by their greater intensity and psychological urgency”.

In this example taken from the experience of the six service encounters, the positive and negative emotions can be seen throughout the encounters by anger, sad, mad, joy of the emotions. The first encounter, the negative mood created from the delay of the flight resulted in poor manner of the employee dealing with the customer has created an angry customer. This goes also with the second encounter and the third encounter that has poor delivery process of the service that resulted with the same emotions. On the other hand, the positive mood that has been created through a good process of service delivery, can influence the evaluation of the service as satisfied or

dissatisfied (Lovelock et al, 1998). Besides the emotions, customers generally would expect something before experiencing the services i. e.

the customer expectations. This could be based from past-experience, word-of-mouth, and the promises from the service provider (Zeithaml et al, 1993).

Based on Boshoff and Leong (1998) findings, the employees performance, various service attitudes, and courtesy are the basic issues level of customer expectations. From the example of service encounter visited (Appendix 1: Encounter 4), the courtesy and employees performance that has been delivered by the hairdresser has met the expectations i. e. hat has been believed will happen as well as what should happen met the desired result of the service delivered (Boulding et al, 1993) 2.

3 Customer Satisfaction and Service Quality At the end of the day every service provider, customer satisfaction is something that they are after for a long-term relationship. Satisfaction is measured through the total benefits that exceeded the total costs (Lovelock et al, 1998). Satisfaction is also again related to the emotional state when one service has been evaluated. Usually when a customer is satisfied with the service he or she will feel delighted (Lovelock et al, 1998). An example taken from the Target service encounter (Appendix 1: Encounter 3), where a negative emotion of annoyance with the staff creates a dissatisfied customers' post-purchase-evaluation. Since the service provider deliver the value below of what is expected, the customer's end up feeling annoyed that resulted with dissatisfaction.

Service quality on the other hand is a perceived judgement of a firm overall outstanding or superiority (Gronroos, 1984). Here, the service quality that is

being delivered through the encounters can be evaluated from the process of where the customer compare what they received and what has been expected prior to the service delivered. But, is satisfied customer means the service provider has provided with high quality service? Below is the overall evaluation of services encounters in terms of the rate of quality. 2.

3. 1 The rate of service quality Zeithaml, Berry, and Parasuraman (1990), has conducted a focus group research that identified the variables i. e. the attributes used by customers to evaluate the service quality. The attributes can be divided into five main dimensions i. e.

(1) the tangibility, (2) the reliability, (3) the responsiveness, (4) the assurance, and (5) the empathy (Appendix 3). Based from the six services encounters, some of the attributes mentioned above have described the service quality experienced. Encounter 1, 2, 3: The service visited resulted with a poor, incompetence and dissatisfied evaluation is the outcome Encounter 4, 5, 6: The service visited resulted with a good, responsiveness, and satisfied evaluation outcome From the service encounter diaries, the moment of a customer purchase a service, he experience created by the service delivered is being purchased (Bateson and Hoffman, 1999). As Lovelock et al (1998) would say it, “ you must experience the service to feel a degree of satisfaction or dissatisfaction”. This is because to rate or evaluate the quality of a service is harder because of the intangibility, inseparable, and the nature of many services itself (Lovelock et al, 1998).

According to one of the study done by Gotlieb et al (1994), the study found out that satisfaction of customers it is driven by a high quality service by the

service provider. However, at the same time there is a research that found numerous examples where customers who are delighted and satisfied with the service still think it was not a high quality service. This can be seen back to the Hurricane's restaurant service encounter (Appendix 1: Encounter 2) where as a customer I was satisfied with the food, but the quality of service was not high due to the rudeness of the waitress who was incompetence in delivering the service. Therefore, this proven that not all satisfied customers is driven by the high quality service. Some other variables such as the layout, the food, the ambience, and the setting of the process of services do also play an important role in influencing customer satisfaction.

2. 4 Service failure and service gaps As discussed above, satisfaction is created by the positive emotional responses by the customer. But, at the same time dissatisfaction could also occur within the service encounters. This is what service failure is all about when dissatisfaction occurs it is actually a service failure and managers or marketers need to tackle the situation. There are many attributes that can lead to service failure such as process failures (Stauss, 2002), failure to respond to customer needs (Schroefler and Ennew, 2002) the unassisted and unsolicited of the employees (Bitner et al, 1990), and the outcome failures (Stauss, 2002). From the six services encounters, encounter 1, 2, and 3 has resulted of dissatisfaction in customers.

The first encounter was a process failure where the delay in the flight has caused dissatisfaction in the evaluation of the post-purchase. As for second encounter that resulted to the service failure, is due to the unassisted and unsolicited of the employees. The unprompted waitress in informing

customer about the mistake has shown the service failure in the service system. Last but not least of the service failure that can be seen through the services encounters visited is encounter three.

The failure of the employees of Target to respond to customer need has consequence the service provider in losing its customer to purchase more things. Therefore it is important for the service provider to understand the attributes of the service failure in order to manage the service system. 2. 4.

1 Recommendation : Service gaps model The reason to why it is important for service provider to understand the attributes is because by identifying it prior to the service purchase and consumptions can correct the satisfaction and service quality shortfalls.

This can be identified as closing the service gaps, which can be seen through the prescription for closing service gaps model (Appendix 3) by Zeithaml, Parasuraman and Berry (1990). As discussed above from the services encounter, the service gap model can be use for every of each the service failure to close the gap and this will be part of strategy in service recovery.

3. 0 CONCLUSIONS The purpose of this report is to critically evaluate the six services encounter in terms of the services marketing theory learned. From the report, it can be seen that the level of customer contact with the service provider can help the service provider to understand and manage customers and thus creating satisfied customer. Not only that, the level of customer contact in the service encounter has a positive direct relationship with customer emotions.

The report has examined through the six services encounters that with a high-contact services, customer has more contact with the service personnel and thus, this can influence the customer emotions i. e. if they're delighted or not happy with the service provider. In addition to customer emotions, positive emotions will lead to positive word-of-mouth and also negative emotions usually end up with customers going to other competitors as in search of better service quality. Therefore, it is important for service provider to meet with the customers' expectations, as it is the gauge of whether customer will be satisfied or dissatisfied with the services. Also, from this report the service quality also plays a major role in influencing customer satisfaction.

But however, there were some findings and research that has been done previously that says satisfied customer does not always mean high quality service has been provided in the delivery service process. Overall of this report, the evaluation of customer satisfaction is not only depends on the high service quality but also managing the customer expectation, looking into the level of customer-contact, and filling up or closing the service gap failures in order to be incompetent with other service provider. The conclusion that can be derived from the report is that it is important for one service provider to put into concern of customers satisfaction and its attributes to it to survive in the competitive market. REFERENCE LIST

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Encounter 1 What happened – Rescheduling of departure time for flight MH122, on the 21st of June 2008. Flight Malaysia Airlines Sydney to Kuala Lumpur.

I came at 12 noon as the procedure for checking-in baggage is 2 hours prior to the flight time. While all the passengers were queuing to check-in their luggage, came a staff from Malaysian Airlines as she distributed a paper filled with a announcement regarding the delay of the flights. It was delayed for 6 hours. When – 21st June 2008 Where – Sydney, King Smith International Airport Type of service – Airline Services, Malaysia Airlines Customer response to the encounter: How did you specifically feel during this encounter & why? I was annoyed that I had to wait for 6 hours at the airport.

What were your thoughts about this encounter? Not living up to my expectations. How do you rate your level of satisfaction with this encounter? I was dissatisfied with the service. Therefore I would rate is a very bad/failure service encounter. How do you rate the quality of the service provided? Poor and dissatisfied How likely is it that you would go back to this service? I would probably still go back to this service but an extra pre-cautions such as calling the airport and check if there will be any delay in the flight. Would

you recommend this service to others? Why/ why not? I would still recommend this service to others.

At the end of the day, its just the delay that caused the dissatisfaction in the service. But other than that, the other services that they provided during the journey in the plane is pretty ok. What could the firm/employees/other customers have said or done that would have made you feel better? I don't think there is anything that could be said and done that would have made me feel better if you have to wait 6 hours at the airport. Encounter 2 What happened – A friend and I went to the restaurant to have their famous ribs.

We both ordered and the food came about ? our (its normal for the ribs and steak to come in about 30mins) later. Then, we realized that it is not the food that we ordered. We called the lady who was serving us and she just took our plates off the table. We were confused. Not sure about what had just happened but figured out that probably she had our order wrongly or she had taken someone else order and put it on our table.

The waiting just goes on for about another 20 minutes more. My friend was already at the point of leaving the place. The food came in later after another 30minutes of waiting. No apologize from the lady or whatsoever.

When – somewhere in June Where – Hurricane, Bondi Type of service – Food services Customer response to the encounter: How did you specifically feel during this encounter & why? I was calmed at the first 30 minutes because I expected it to be that long.

But the rudeness of the waitress didn't allow me to leave any tips after the transaction of the service. What were your thoughts about this encounter? It

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was unexpected because the first time I came to the restaurant, everything was fine. So, here I blame the waitress who was poorly trained. How do you rate your level of satisfaction with this encounter? I was dissatisfied with the service. Therefore I would rate it as a very bad/failure service encounter. How do you rate the quality of the service provided? The quality of the service was bad since the waitress did not even apologize for her mistake.

How likely is it that you would go back to this service? I would still go back but will definitely not call up the same waitress if she is still there. Would you recommend this service to others? Why/ why not? Of course, I will recommend. The food is good just a poor customer handling service I encountered during that day. What could the firm/employees/other customers have said or done that would have made you feel better? It would have been fine if the waitress informed us that she had our order wrong and a simple apologize is more than enough.

Encounter 3 What happened – I was about to pay some of the stuff I got that has an offer of , “ you buy one and get the other 40% off”. So, I grabbed at least 12 items that 6 of it will be paid in full price and the other remaining 6 with 40% off each. But at the counter, the guy charged me all 12 items in full price. I asked the guy and he said he had no idea and insist on me paying the full price of the items. I told him to check it with one of his staff because I was sure about it. Instead, he made me run off to the place and was giving me an attitude.

When – 10th August 2008 Where -Target, Bondi Junction Type of service – Retail services Customer response to the encounter: How did you specifically

feel during this encounter & why? I was mad that the fact he made me ran to the place instead of calling one of his working mates. What were your thoughts about this encounter? Poorly trained staff at Target. How do you rate your level of satisfaction with this encounter? I didn't expect much from them anyways. How do you rate the quality of the service provided? The quality of the service was bad.

How likely is it that you would go back to this service? I would still go back to this service but won't expect much from the service. Would you recommend this service to others? Why/ why not? No. What could the firm/employees/other customers have said or done that would have made you feel better? It would be nicer if one of the employees could run up and do the checking. At the end, they're paid to do that and not the customers.

Encounter 4 What happened – I wanted a hair cut and a treatment for my hair. They did it just the way I asked them although that was my first time at the saloon.

When – 12th August 2008 Where – Toni & Guy, World Square Type of service – Hair salon Customer response to the encounter: How did you specifically feel during this encounter & why? I was pleased with the hair cut and the friendliness of the hairstylist. What were your thoughts about this encounter? Great hair cut (How do you rate your level of satisfaction with this encounter? I was extremely satisfied. It was beyond my expectation since its my first visit to the salon. How do you rate the quality of the service provided? The quality of the service was extremely good.

How likely is it that you would go back to this service? Definitely there will be another visit to the salon. Would you recommend this service to others?

Why/ why not? Yes. What could the firm/employees/other customers have said or done that would have made you feel better? Nothing. They were great at their job. Encounter 5 What happened – Getting a hair color from a hairdresser and its not my first service encounter with the service provider.

Basically, the hairstylist knows the kind of color I wanted for my hair and this has made it easier for the him. The past experience with the service has kept me coming back for the same type of service. When – 23rd June 2008 Where – Headline Hair salon Type of service – hair salon Customer response to the encounter: How did you specifically feel during this encounter & why? I was expecting the same type of service that I would be getting from my previous visit to the hair salon. What were your thoughts about this encounter? It was a good encounter as the color turned out the way I wanted it. How do you rate your level of satisfaction with this encounter? I was satisfied . How do you rate the quality of the service provided? I believe the quality of the service can be rated as reliable and my hairstylist definitely understand her customer well.

How likely is it that you would go back to this service? Definitely there will be another visit to the salon. Would you recommend this service to others?

Why/ why not? Yes because based from my first visit, it was recommended to me. Here, you can see that it has a positive word-of-mouth from the beginning I visited the hair salon. What could the firm/employees/other customers have said or done that would have made you feel better? Nothing.

They did a great job. Encounter 6 What happened – I went for a massage in China Town and asked for a whole body massage.

When – 15th August 2008 Where – China Town Type of service – Massage parlour Customer response to the encounter: How did you specifically feel during this encounter & why? I was expecting a great massage from the masseuse. What were your thoughts about this encounter? It was a good encounter as the masseuse was concerned about the customer needs. How do you rate your level of satisfaction with this encounter? I was satisfied How do you rate the quality of the service provided? I have to say that the masseuse was competence in delivering its services. How likely is it that you would go back to this service? I will definitely pay another visit when the backache is there again. Would you recommend this service to others? Why/why not? Yes because of its good delivery service process. What could the firm/employees/other customers have said or done that would have made you feel better? Nothing.

They did a great job. Appendix 2 (Lovelock et al, 1998, p129) [pic] Appendix 3 (Lovelock et al, 1999, p131) [pic]