Service quality - Concepts and models


Abstract (summary)

The service sector has gained in economic importance over the past decade. Statistics show that the sector accounts for 60% of the value added in the European Community. Despite such significance and the importance of quality-related matters to the sector, there is little research dealing with service quality. The salient features of service quality include: 1. inseparability of production and consumption, 2. intangibility of service, 3. perishability of services, and 4. heterogeneity of services. Some determinants of service quality are: 1. reliability, 2. responsiveness, 3. customization, 4. credibility, 5. competence, 6. access, 7. courtesy, 8. security, 9. communication, 10. tangibles, such as appearance of personnel and condition of equipment, and 11. understanding the customer. Six conceptual models of service quality models are discussed. A quality model should enable the management to: 1. identify sources of quality, 2. discover the quality problems, 3. pinpoint the causes of the observed quality problem, and 4. offer possible courses of action.

Full Text

Introduction

In the industrialized nations, over the past two decades, the service sector has become the dominant element of the economy. For example, in 1989 the service sector accounted for: 69 per cent of the USA's gross domestic product (GDP); 62 per cent of the UK's GDP; 60 per cent of Germany's GDP; 56 per cent of Japan's GDP; and 67 per cent of France's GDP[1]. These figures under-represent the sector's contribution because they exclude the services provided by the manufacturing companies.

The service sector encompasses a diverse and complex range of organizations and enterprises. These include:
(1) national and local government: for example, education, health, social security, police, the military, transport, legal, information, and credit;

(2) non-profit private services: for example, charities, churches, research foundations, mutual societies, and art foundations;

(3) for-profit private services: for example, utilities, hotels, airlines, architects, restaurants, solicitors, retailers, entertainment, banks, insurance companies, advertising agencies, consultancy firms, market research companies, and communications.

The above list is not exhaustive, however, it helps to demonstrate the varied and complex nature of the service sector.

In a recent survey, "quality", "customer satisfaction" and "identification of what constituted value to the customer" were identified by the respondent companies as either "important" or "very important"[2]. This response illustrates the importance placed on "quality" and "customer satisfaction" by many organizations. The empirical analysis of the Profit Impact of Marketing Strategy (PIMS) database has shown a positive relationship between perceived quality and an organization's financial performance[3]. Companies with perceived high quality "goods" and "services" typically had higher market share, higher return on investment and asset turnover than companies with perceived low quality. This led to the conclusion that in the long term, the most important factor affecting business performance is the quality of "goods" and "services" offered by the organization, relative to its competitors.

Service quality is considered a critical determinant of competitiveness[4]. Attention to "service quality" can help an organization to differentiate itself from other organizations and through it gain a lasting competitive advantage[5]. High quality of service is considered an essential determinant of the long-term profitability not only of service organizations, but also of manufacturing organizations[6]. In some manufacturing industries "service quality" is considered a more important order winner than "product quality". Superior "service quality" is a key to improved profitability, and not the cost of doing business. Exemplary service is the next sale in the making.

"Service quality" affects the repurchase intentions of both existing and potential customers. Market research has shown that customers dissatisfied with a service will divulge their experiences to more than three other people[7]. Thus, it is reasonable to conclude that poor service will reduce the potential customer base. According to the Technical Assistance Research Project (TARP), it costs about four times more to attract new customers. Their research indicates that six times more people hear about a negative customer service experience than hear about the positive one. Positive word of mouth can be a very powerful tool for attracting new customers. Negative word of mouth can have a devastating impact on the credibility and effectiveness of organizations' efforts to attract new customers. In addition, customers' service expectations are constantly rising, while their tolerance for poor service is declining[8]. As a result customers are increasingly likely to migrate to competitors with a perceived higher "service quality".
Despite the increasing importance of the service sector and of the significance of quality as a competitive factor, service quality concepts are not well developed. In this respect, the service sector lags behind the manufacturing sector. Moreover, the service sector lags behind the manufacturing sector in embracing philosophies such as "total quality management" and "continuous improvement". There are major differences between service and manufacturing sectors as far as "quality" is concerned. Certain inherent characteristics of the service sector increase the complexity of "quality control" and "improvement efforts".

In this article we examine the underlying concepts of "service quality" and review several of the "service quality improvement" models. The aim of this wide-ranging review is to bring a variety of ideas and models together. This will promote a better understanding of pertinent issues and of improvement strategies open to service organizations. The starting point, however, is a brief examination of differences between service and manufactured goods. This will set the scene and help to put "service quality" in a proper context. In addition, potential obstacles to "service quality" improvements are identified and discussed.

Quality--Differences between Manufacturing and Service Sectors

There are arguably major differences between service and manufactured goods[9]. These differences have an impact on the approach and substance of quality management. The salient differences are discussed below:

(1) Inseparability of production and consumption. In service industries, usually the marketer creates or performs the service at the same time as the full or partial consumption of the service takes place. The high visibility of the conversion process means that it is not possible to hide mistakes or quality shortfalls. Moreover, the involvement of the consumer in the delivery process introduces an additional process factor, the consumer, over which the management has little or no direct control. However, the behaviour of one group of customers does influence other customers' perception of service quality.

(2) Intangibility of service. Many services are essentially intangible. The lack of tangible attributes means that it is difficult for the producer to describe the service and for the consumer to ascertain its likely virtues. The consumer cannot see, feel, hear, smell, or touch the product before it is purchased. Therefore, the consumer often looks for signs of quality: for example: word of mouth; reputation; accessibility; communication; physical tangibles; etc. In services, the influence of intangibles, that is to say word of mouth and reputation, on purchasing decisions is much greater than the influence of tangible product specifications. This places greater responsibility on service organizations to deliver what they promise, right, the first time. Moreover, in service organizations frontline staff and physical facilities fulfil the dual functions of production and marketing[10]. They are viewed by the potential customer as signs of quality.

(3) Perishability of services. Services are perishable and cannot be stored in one time period for consumption at a later date. This means that, unlike manufactured goods, it is not possible to have a final quality check. The service provider needs to get the service right first time, every time.
(4) Heterogeneity of services. It is often difficult to reproduce a service consistently and exactly. A number of factors can affect the extent of the heterogeneity of service provisions. First, delivery of service often involves some form of contact between the consumer and service provider. The behaviour of the service provider influences the consumer's perception of quality. It is difficult to assure consistency and uniformity of behaviour. Moreover, it is not easy to standardize and control this facet of service delivery. In effect what the firm intends to deliver may be entirely different from what the consumer receives. Second, service operations depend on consumers to articulate their needs or provide information. The accuracy of the information and the ability of the service provider to interpret this information correctly has a significant influence on the consumer's perception of service quality. Third, the priority and expectations of the consumer may vary each time he or she use the service. Moreover, priority and expectations may change during the delivery of the service. The variability of service from one period to another and from consumer to consumer makes quality assurance and control difficult. Service providers have to rely heavily on the competence and ability of their staff to understand the requirements of the consumer and react in an appropriate manner. The statement from Jan Carlzon, president of Scandinavian International Airlines, puts this point into context. He stated that "we have 50,000 moments of truth out there every day". He was of course referring to the fact that SIA's staff come into contact with each consumer 50,000 time each day and the consumer evaluates the quality of SIA's service based on these interactions.

Obstacles to Attaining Service Quality Improvements

In the previous section the differences between manufactured and service goods were reviewed. The obstacles to service quality improvements are identified and discussed below:

(1) Lack of visibility. Service quality problems are not always visible to the provider. The Technical Assistance Research Project (TARP) estimated that at any given time 25 per cent of customers are sufficiently dissatisfied with a service to stop repurchasing, yet only 4 per cent complain to the organization. This places greater responsibility on the service provider to be proactive in the identification of quality problems.

(2) Difficulties in assigning specific accountability. The consumer's overall perception of service quality is influenced by experience at different stages of service delivery. However, it is hard to attribute quality problems to a particular stage of service delivery.

(3) Time required to improve service quality. Service quality problems often require major effort over a long period of time to resolve. This is because service quality is more dependent on people than systems and procedures. Attitudes and beliefs take longer to change than procedures. It is difficult for managers to keep their attention focused on the problem and remove the root causes of the quality shortcomings.

(4) Delivery uncertainties. Control of service delivery and quality is complicated by the individual and unpredictable nature of people. The people element encompasses both customers and frontline staff of the service organization.
The attainment of "service quality" requires:

(1) Market and customer focus. "Service quality" problems are more likely to arise in organizations that are not focused on identifying and acting on the customer's needs and expectations. A quality organization should put itself in the "customer's shoes" and build its policies from the customer's vantage point[11].

(2) Empowerment of frontline staff. "Service quality" can be enhanced by giving frontline staff the latitude to make important decisions regarding the customer's needs. It is generally recognized that devolvement of those decisions which affect customer care to the frontline staff pays dividends[12]. American Express uses the latitude given to its frontline staff to differentiate its service from that of other credit card providers.

(3) Well-trained and motivated staff. Frontline staff who are not adequately trained for their job will find it difficult to perform their tasks effectively. This will be noted by the consumer and is likely to cause adverse quality perceptions. It is also important to ensure that frontline staff are effectively supported and well motivated. Motivated staff require the provision of an appropriate and clear career ladder and opportunities; remuneration and recognition system; a measurement system; and appraisal procedures.

(4) A clear "service quality" vision. One consequence of the interactive nature of service is the need for a clear vision of "quality". In the absence of a clear vision and definition employees are likely to have their own interpretation of "service quality". Lack of common vision will inevitably increase the variability experienced by the customer within and without each stage of the service delivery. Inconsistency and variability of treatment is likely to have an adverse impact on the perception of "quality".

Definition of Quality

The term "quality" means a different thing to different people. This is why defining "quality" is often the first step in most "quality improvement" journeys. A common understanding and vision of what is meant by "quality" will help the organization to focus its "quality improvement" efforts. Thus, defining "quality" is not only important from a semantic point of view but, more importantly, it is required to direct employees' efforts towards a particular common cause. The common vision of quality is arguably more important in service organizations.

There are, as one might expect, many definitions of "quality". However, it is possible to classify the definitions of "quality" into five broad categories. The five generic categories and their relevance to service organizations are discussed below.

(1) Transcendent. Here "quality" is defined as innate excellence. The product or service will have unequalled properties. Under this definition much of Plato's philosophical analysis of beauty is transferable to the subject of quality. However, this definition of quality has little practical application because prior identification of determinants of quality is not possible. Implicit in this definition of "quality" is the relationship between individual
salience and the perceived quality. The presence of this relationship has important implications for "goods" and "service" quality.

(2) Product led. Here "quality" is defined as the units of goodness packed into a product or service. Thus, a "quality" service will contain more units of goodness than a lower "quality" service. This definition relies on the quantification of the service's units of goodness or tangible attributes. In practice, however, it is not easy to clearly identify services' attributes, let alone quantify them. In addition, "goodness" is not absolute but relative to a particular circumstance. For example, customers may judge a theme park's production to be of higher quality than a Covent Garden production. This situation arises despite the fact that a Covent Garden production will invariably possess more units of "goodness". The question is why some people will rate the quality of a theme park's production higher? The higher "service quality" perceived in the theme park is attained by closely meeting customers' demands and expectations. Interestingly, many people perceive that "quality" is somehow synonymous with "attributes".

(3) Process or supply led. In this approach, "quality" is defined as "conformance to requirements". The definitions of quality proposed by Crosby[13] and Taguchi[14] fall within this category. These definitions lay emphasis on the importance of the management and control of supply-side quality. The focus is internal rather than external. Such a definition is useful for organizations which perceive their problems as lying within the transformation or engineering process. Alternatively, this definition might be useful in organizations producing either standard products or services, or where the output can be classified as a commodity. Organizations offering a "standard service" involving "low or short customer contact", such as "refuse collection", "postal service", "home deliveries", "public transport", "financial services" and "fast food chains", may find this definition useful. This is partly because of the important role of process in determining the quality of the outcome. Interestingly this is the main area addressed by the "Citizen's Charter", irrespective of the nature of the service.

(4) Customer led. Here the focus is external. "Quality" is defined as "satisfying customer's requirements" or "fitness for purpose". The definitions of quality put forward by Deming[15], Juran et al.[16], Feigenbaum[17] and Ishikawa[18] fall within this category. This approach relies on the ability of the organization to determine customers' requirements and then meet these requirements. A "customer-led" definition implicitly encompasses the "supply-led" approach. This is because customers' requirements are built into the service at the design stage, but it is at the transformation stage that the degree of conformance is determined. The "customer-led" definition is probably most appropriate for organizations offering "high-contact", "skill-knowledge-based", or "labour-intensive" services such as, health care, law, accountancy, hairdressing, education, consultancy, leisure, and hotels.

(5) Value led. "Quality", here, is defined either as the "cost to the producer and price to the customer" or as "meeting the customer's requirements in terms of quality, price, and availability". The focus again is external. The approach implies that there is a trade-off between "quality", "price", and "availability". The purchaser evaluates "quality", "price" and "availability" within the same decision algorithm. Implicit in this approach is the importance of clear market segmentation and greater focus in the provision of service.
Grocock's[19] definition of "quality" is a good example of a "value-led" definition. This definition of "quality" can be adopted by most service organizations.

A "service", as discussed previously, is intangible. Thus, the purchaser cannot judge its "quality" or "value" prior to purchase and consumption. Meister[20] argued that in a service setting, customers judge quality by comparing their perceptions of what they receive with their expectations of what they should receive. Both expectations and perceptions are experiential sensations rather than necessarily being real. Thus, in the service context, it is necessary to substitute "expectations" for "requirements" or "purposes".

Most of the service quality definitions fall within the "customer-led" category. For example, Lewis[4], Moore[5] and Creedon[21] define quality as "consistently meeting or exceeding customer's expectations".

Service Quality Measure

"Quality" in a service organization is a measure of the extent to which the service delivered meets the customer's expectations. The nature of most services is such that the customer is present in the delivery process. This means that the perception of quality is influenced not only by the "service outcome" but also by the "service process". The "perceived quality" lies along a continuum. "Unacceptable quality" lies at one end of this continuum, while "ideal quality" lies at the other end. The points in between represent different gradations of quality.

One such point is the "satisfactory quality". The perceived quality can be represented as follows:

Prior Customer Expectations + Actual Process Quality + Actual Outcome Quality = Perceived Quality

PCE + APQ + AOQ = PQ

This paradigm implies that "prior expectations" are compared with the actual "service delivery process" and the "service outcome" and that it is through this comparison that the "perceived quality" is fashioned.

"Prior customer expectation" is the a priori image of what will be received when the consumer purchases a service. Several factors influence the "a priori image". These include: personal needs; past experience; word of mouth; market communications; image; and price. Thus, the provider of service can be proactive in shaping the "customer's expectations" through its marketing and external communication efforts.

"Actual quality" is the real level of "service quality" provided. This is determined and controlled by the "service provider". It is possible to quantify and set standards for some, if not all, of the "service quality" characteristics. (The determinants of "service quality" are discussed in the next section.) It is, however, imperative to note that the "quality" of a
service is determined by the "customer's perception" and not by the perceptions of the providers of the service[22,23]. Thus, it is crucial that customer requirements are determined, and service "delivery" and "outcome" designed, to meet these requirements.

"Perceived quality" is the customer's feel for the "quality" of the service. It determines the extent of the customer's satisfaction. The three key possible "quality" outcomes are:

(1) satisfactory quality, where customer's expectations (CE) are exactly met: that is to say, $PCE = PQ$;

(2) ideal quality, where perceived quality is higher than customer's expectations: that is to say, $PQ > PCE$;

(3) unacceptable quality, where perceived quality is lower than customer's expectations: that is to say, $PQ < PCE$.

The provider of the service should ensure that either condition (1) or condition (2) is attained each time the service is delivered. It is not practical to focus on the points that may lie in between these three landmarks on the quality continuum. The service providers are more likely to reach conditions (1) and (2) if they have a clear understanding of the customer's expected quality. Moreover, to be competitive it is necessary to set marginally higher levels of "satisfactory" and "ideal" quality than those of competitors. This will require an understanding of the generic determinants of service quality. Service quality determinants are discussed next.

Determinants of Quality

"Quality" is not a singular but a multi-dimensional phenomenon. It is not possible to ensure product or service quality without determining the salient aspects of "quality". The genetic determinants of "service quality" are identified and discussed in this section. The utility value of these determinants is situation-dependent.

Gronroos[24] argued that "service quality" comprises of three dimensions. These are:

(1) The technical quality of outcome. That is to say, the actual outcome of the service encounter. The service outcome can often be measured by the consumer in an objective manner. An example of service outcome, in the case of a car repair garage, are the availability of the car at the agreed time, its tidiness, and its mechanical condition.

(2) The functional quality of the service encounter. This element of "quality" is concerned with the interaction between the provider and recipient of a service and is often perceived in a subjective manner. Returning to the car repair garage example, this element of service quality is concerned with: the courtesy shown to the customer; physical circumstances of the reception area; amount of explanation provided in terms of what needs to be done; contacting the customer if the car is not going to be ready at the agreed time, or if additional expensive work is required, etc.
The corporate image. This is concerned with consumers' perceptions of the service organization. The image depends on: technical and functional quality; price; external communications; physical location; appearance of the site; and the competence and behaviour of service firms' employees.

Lehtinen and Lehtinen[25] also contend that "service quality" has three dimensions. These were:

(1) Physical quality. This includes such items as the condition of buildings and enabling equipment.

(2) Corporate quality. This refers to the organization's image and profile.

(3) Interactive quality. This derives from the interaction between service organizations' personnel and the customer as well as the interaction between customers. A good example of this is an "Executive MBA" programme in which participants' experience and perception of quality is not only influenced by the competence of professors and interaction with the providers of the service, but also by the interaction among participants.

Lehtinen and Lehtinen[25] argue that in examining the determinants of quality it is necessary to differentiate between the quality associated with the process of service delivery and the quality associated with the outcome of the service. This is a useful separation and it is taken into account in reviewing the determinants of "service quality".

These attempts to identify the service quality determinants suffer from lack of sufficient detail. Their most significant contribution is to divide service "quality" into quality of process and quality of outcome. Other researchers and interested organizations have suggested a more detailed classification. In the following paragraphs the generic determinants of the service quality put forward by Parasuraman et al.[26] are reviewed. This will serve as the base for examining the work of other researchers. The review explores the work of researchers attempting to identify the determinants of quality in "for-profit"[10] and "non-profit" service organizations[27-29] as well as the determinants of product quality put forward by Garvin[30].

A modified version of the service quality determinants proposed by Parasuraman et al.[26] is described below. The proposed modifications and the introduction of a new determinant are based on our current research. Moreover, examples from various service industries are provided for clarity.

(1) Reliability: the ability to provide the pledged service on time, accurately and dependably. For example, in the case of Royal Mail, this means next-day delivery of first class mail and delivery of mail in good condition; and in the case of an insurance company, prompt settlement of the claim; or in the case of a university graduate's subject, knowledge.

(2) Responsiveness: the ability to deal effectively with complaints and promptness of the service. For example, in the case of a package tour operator, it could be dealing quickly and
effectively with a patron's accommodation problems; or in the case of a car hire company, providing a similar or higher-grade substitute car, even when the original car suffers from only a minor problem such as a radio malfunction.

(3) Customization: the willingness and ability to adjust the service to meet the needs of the customer. This would mean, for example, in the case of a gourmet restaurant, willingness to provide an item that is not on the menu; or in the case of a specialized tour operator, tailoring the holiday package to meet the customer's specific requirements.

(4) Credibility: the extent to which the service is believed and trusted. The service provider's name and reputation, and the personal traits of front line staff all contribute to credibility. For example, in the case of an insurance company, this could mean a positive reputation for settlements of claims.

(5) Competence: staff should possess the necessary skill, knowledge and information to perform the service effectively. For example, an insurance broker should provide the best possible advice to the potential customer. To achieve this, he or she needs to know the product portfolio well and have the skill to match the product with the customer's needs.

(6) Access: the ease of approachability and contact. For example, this could involve convenient opening hours, getting through on the telephone and convenient location.

(7) Courtesy: the politeness, respect, consideration and friendliness shown to the customers by the contact personnel.

(8) Security: the freedom from danger, risk and doubt. It involves physical safety, financial security and confidentiality.

(9) Communication: keeping customers informed about the service in a language that they can understand and listening to the customers. For example, in the case of an airline giving regular updates, this could include detailed and accurate information whenever a delay in service occurs.

(10) Tangibles: these include: the state of facilitating goods; physical condition of the buildings and the environment; appearance of personnel; and condition of equipment. Tangibles are more important in high-contact services, such as traditional universities, than low contact services such as the Open University.

(11) Understanding/knowing the customer: this involves trying to understand the customer's needs and specific requirements; providing individualized attention; and recognizing the regular customer - an important determinant of quality in high-contact customized services.

Table I depicts the determinants of quality identified by: Parasuraman et al.[26] and Haywood-Farmer[10], for profit-making services; Stewart and Walsh[27], the National
Consumer Council[28], and Gaster[29], for non-profit-making services; and Garvin[30], for products.[Table 1 omitted] A cursory comparison shows:

(1) the commonality of reliability, responsiveness and access;

(2) the degree of correspondence between the determinants of private and public services's quality;

(3) the extent of similarity between service and product determinants of quality.

The approaches identified in Table I attempt, in Garvin's[30] words, to develop a "conceptual bridge to the customer's vantage point".

The importance and the utility value of each determinant of quality is dependent on the nature of the service. For example, in low contact and low variety standard services, such as refuse collection, London Transport, or some mail deliveries, "customization" is not a significant determinant of the service quality. In the case of standard but high variety, high number of contacts of low duration services, such as retail, "access" is much more significant than "customization" or "responsiveness".

Conceptual Service Quality Models

A service organization can broadly adopt one of two basic approaches to service quality management:

(1) passive or reactive; or

(2) strategic or proactive.

In the case of a passive or reactive approach, "quality" is not considered as a major source of service differentiation or competitive advantage. The principal emphasis of "passive quality planning and control" is minimization of customer annoyance, rather than realization of customer satisfaction. The efforts of quality planning and control are focused on hygiene factors. These are the factors that are taken for granted by the customer: for example, time of departure of a plane or clean tables and utensils at a restaurant. To ensure customer satisfaction, it is not sufficient solely to comply with the hygiene factors. Meeting these requirements does not ensure customer satisfaction; however, failure to meet them will normally result in customer dissatisfaction.

In the case of a strategic or proactive approach, "quality" is used to differentiate the organization's service offering. "Quality" lies at the heart of the organization's strategy to gain competitive advantage. Here, usually, quality is one of the primary drivers of the business. Corporate image is built around the quality of the offering; for example, British Airways' emphasis on customer care. The accent, here, is on gaining customer satisfaction. The "quality" phenomenon is the source for strengthening and differentiating the offering and the organization from what is offered by the competitors. The available evidence
indicates that service organizations which adopt a strategic approach to "quality management" significantly improve their competitiveness; for example, Royal Mail, Federal Express, Barclay's Bank Credit Retail Service Division, KLM, Singapore Airlines and the Paul Revere Insurance Company.

The launch of a "strategic quality management" programme requires a clear understanding of the service quality vantage point (definition and vision), customers' expectations, perceived quality, measures of quality, and generic determinants of quality. These were discussed in previous sections. A clear understanding of these concepts is necessary but not sufficient to guide the management's search for positive improvements in service quality. Thus, there is a need for conceptual models which will enable management to identify "quality" shortfalls and plan the launch of a "strategic quality improvement" programme. In broad terms, a model attempts to show the relationships that exist between salient variables. It is a simplified description of the actuality. The primary aims of the models reviewed is to enable the management to enhance the "quality" of the organization and its offering in a systematic manner. Six conceptual service quality models are reviewed. Each of them is representative of a different point of view. The models are constructed to emphasize the particular bias.

The model suggested by Parasuraman et al.[26] is depicted in Figure 1.[Figure 1 omitted] The model attempts to show the salient activities of the service organization that influence the perception of quality. Moreover, the model shows the interaction between these activities and identifies the linkages between the key activities of the service organization or marketer which are pertinent to the delivery of a satisfactory level of service quality. The links are described as gaps or discrepancies: that is to say, a gap represents a significant hurdle to achieving a satisfactory level of service quality. The gaps are described briefly below.

* Consumer expectation--management perception gap (Gap 1): Management may have inaccurate perceptions of what consumers (actually) expect. The reason for this gap is lack of proper market/customer focus. The presence of a marketing department does not automatically guarantee market focus. It requires the appropriate management processes, market analysis tools and attitude.

* Service quality specification gap (Gap 2): There may be an inability on the part of the management to translate customer expectations into service quality specifications. This gap relates to aspects of service design. For example, an airline may find that its customers require a better meals' service on its short-haul routes. This requirement needs to be translated into food and beverage menus for different times of the day.

* Service delivery gap (Gap 3): Guidelines for service delivery do not guarantee high-quality service delivery or performance. There are several reasons for this. These include: lack of sufficient support for the frontline staff, process problems, or frontline/contact staff performance variability. For instance, the airline of the previous example may introduce an exotic and extensive menu that does not leave enough time to serve or consume. This results in a perception of poor quality. The manner of service also influences the perception
of quality. If the stewards or stewardesses are not competent or friendly, once again the investment in the meal service will not improve perceptions of quality.

* External communication gap (Gap 4): Consumer expectations are fashioned by the external communications of an organization. A realistic expectation will normally promote a more positive perception of service quality. A service organization must ensure that its marketing and promotion material accurately describes the service offering and the way it is delivered. This is why in service organizations it is counterproductive to separate the operations and the marketing functions.

* Expected service--perceived service gap (Gap 5): Perceived quality of service depends on the size and direction of Gap 5, which in turn depends on the nature of the gaps associated with marketing, design and delivery of services.

The above model is a diagnostic tool. If used properly, it will enable the management to identify systematically service quality shortfalls. In other words, it facilitates the identification of gaps between a number of variables affecting the quality of the offering. This model is externally focused. If used correctly it has the potential to assist the management to identify the pertinent service quality factors from the perspective of the customer.

Moore[5] proposed a model consisting of six steps. Figure 2 depicts this model and the pertinent factors at each step.[Figure 2 omitted] The model is prescriptive and provides a route map of how to launch a "quality" drive. It has an external focus, but does not explicitly relate quality problems to the lack of proper market focus. The model also fails to provide a mechanism for identifying the likely areas in which "quality" problems might arise. Steps 2, 3 and 4 are the key components of the model. The key output of step 4 is the "quality action plan". The plan typically will include: (a) an objective statement; (b) an order of priority; (c) a description of the proposed improvement activities; (d) an implementation schedule; and (e) a list of required resources. The proposed monitoring system should attempt to measure both internal and external customer satisfaction. This model provides a framework for addressing broad organizational quality issues.

Haywood-Farmer[10] argued that a service organization has "high quality" if it meets customer preferences and expectations consistently. The key element in the attainment of "high quality" is the identification of customers' service requirements and expectations. He suggested that the separation of attributes into groups is the first step towards the development of a service quality model. In general, services have three basic attributes: (a) physical facilities, processes and procedures; (b) people's behaviour and conviviality; and (c) professional judgement. Each attribute consists of several factors. In this model, each set of attributes forms an apex of the triangle as shown in Figure 3.[Figure 3 omitted] The management's task is to identify where the organization is located in this nexus. This will enable them to provide a service whose elements are internally consistent and focused on meeting the needs of a specific segment of the target market. In deciding the appropriate position of the service, management needs to consider three "operational" factors. These are: (a) the degree of service customization; (b) the degree of labour intensity; and (c) the degree of contact and interaction. The model put forward by Haywood-Farmer is helpful in
terms of identifying the quality trade-offs and the links between "quality" and "operational" factors. The model has the potential to enhance understanding, but it does not offer a practical procedure capable of helping management to identify service quality problems or practical means of improving service quality. Figure 3 also shows the likely position of several different organizations on this three-dimensional nexus. In the case of utilities, the important determinant of quality is the physical process; for example, reliability of facilities, capacity balance, control of flow, and timeliness. People behaviour is also important. All three elements are equally important in the case of a medical or design service. By identifying their organizations' position on the continuum, management will be able to implement more effective quality improvement processes.

It is generally recognized that consumers evaluate the service they receive, and their expectations are critically important in determining whether or not they are satisfied[31]. Consequently, the question of how expectations are formed is vital to the provision of quality service. Nash[32] suggested a model based on the "service journey" idea. Figure 4 depicts the typical stages of a "service journey". [Figure 4 omitted] The experience at a given stage and the expectations formed prior to purchase help to shape the expectations for the next stage. "Service journey" is initiated by "need". Purchase will occur if there is a match between consumers' "need" and the perceived service "offering". Accurate communications and reputation are the key determinants for the consumers' selection of the provider. Promotion and prior communication also influences perceptions at the "participating", "leaving", and "reflecting" phases of the "service journey".

The model proposed by Johnston[33] is based on the same premise. This model is depicted in Figure 5.[Figure 5 omitted] The model identifies the important points prior to, during, and at the end of the service delivery where experiences at each point shape expectations for the next stage. Customers' expectations are dynamic and influenced at each stage of delivery by different factors. These two models are useful because they help the management to identify areas that influence customers' perceptions of "service quality" and where they need to concentrate their quality control and improvement efforts. The focus of these models is predominantly internal rather than external. They view quality from the "operations" and "customer processing" points of view. However, they do not offer practical means for improving service quality.

The interpersonal behaviour of the service provider is an important influence on customers' perceptions of the quality of both "service process" and "service outcome". The model of service success developed by Beddowes et al.[34] stresses the importance of behavioural considerations. This model is depicted in Figure 6.[Figure 6 omitted] According to this model, one of the most important quality success factors is the balance between customer and staff expectations. Beddowes et al. argue that a common danger faced by many service organizations is inflating customer expectations through marketing efforts without balancing this with what the organization can offer through appropriate development of staff and systems. According to this model, the other important contributor to service quality is the relevance and effectiveness of the service delivery system. The model identifies the factors that significantly influence service quality. It articulates why quality problems are likely to arise but not what the nature of these problems is and how to overcome them.
The models reviewed above do not represent the total picture. There are several other models[35,36]. The models reviewed, however, represent the major strands of the service quality improvement endeavours.

Summary and Conclusions

Customers are the lifeblood of any business. Service quality can win and keep customers. A service organization is likely to face difficult obstacles in its attempt to improve service quality. This is because of service intangibility; participation of the customer in the service delivery; heterogeneous nature of the process; lack of predictability and repeatability of the service process; diverse customer base sharing the same processing facilities and processes; lack of visibility of quality shortfalls; difficulties in identifying sources of quality problems; and the time required to improve service quality. A committed management, however, can remove these obstacles.

The key ingredients of service quality improvements are: market and customer focus; motivated and well-trained frontline staff; well-designed process; devolvement of responsibility and authority to the frontline staff; clear definition of quality; effective internal and external communications; and measurement.

Quality problems in service organizations are the result of the mismatch between prior expectations and perceived quality of service. A quality service organization will, on a regular basis, attempt to determine the requirements of its customers and translate these requirements into product and delivery process specifications. Although the gap between expectations and experience is widely considered to be the primary source of service quality problems, it is not clear how the evaluation of expectation and experience occur[37]. This is an area that requires more empirical research.

The work of several authors on the generic determinants of service quality was examined. A comparison of the factors identified by various authors revealed several common elements and a significant degree of correspondence between the determinants of the quality of public and private services. There is also significant similarity between the determinants of the quality of service and goods offerings. This calls in question attempts to separate service and goods offerings. It may be more productive to search for similarities rather than differences.

There are several conceptual models that management in service organizations can employ in pursuit of quality improvement. Six models, each with a different focus and emphasis were examined in this article. Table II depicts the primary focus of each of these models,[Table II omitted] Each model is useful in the appropriate context. The gap analysis model has more practical application than the other models discussed. Together with the appropriate methodologies, gap analysis is a powerful diagnostic and design tool.

A quality model should ideally enable the management to:

(1) identify sources of quality;
(2) discover the quality problems;

(3) pinpoint the causes of the observed quality problem;

(4) offer possible courses of action.

None of the models discussed meets all of the above criteria. Each model addresses one or, at most, two of these areas. There is a need for further inductive and deductive research in this area. It may be possible to devise a broader model that encompasses all of the above criteria.

Conceptual service quality models are useful for a number of reasons. First, they provide an overview of factors that affect the quality of the organization and its offerings. Second, they facilitate understanding. Third, they help to clarify how quality shortfalls develop. Fourth, they can provide a framework for launching quality improvement programmes. A framework has the advantage of channelling the efforts of the organization in the appropriate direction.

It is also important to be aware of the limitation of any model. Models are almost invariably simplified versions of reality. They suggest that there are simple relationships between complex phenomenon, and that systems operate by rules of cause and effect. It is, however, important to note that the quality models presented in the previous section deal with a social phenomenon. Human behaviour significantly affects the quality of an organization and its offerings. Models cannot adequately capture these complexities. This point needs to be borne in mind when applying any of the above models. Having stated this warning, the authors are of the view that the above models are useful quality improvement tools. They are not mutually exclusive and may be applied in parallel.

References


Further Reading


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