

SERVQUAL

- ▶ The Service Quality Model or SERVQUAL Model was developed and implemented by the American marketing gurus Valarie Zeithaml, A. Parasuraman and Leonard Berry in 1988. It is a method to capture and measure the service quality experienced by customers.
- ▶ The SERVQUAL Model is primarily a qualitative analysis. If a satisfaction survey mainly depends on the transactions between supplier and buyer, the observed quality is measured through generic, environmental factors.



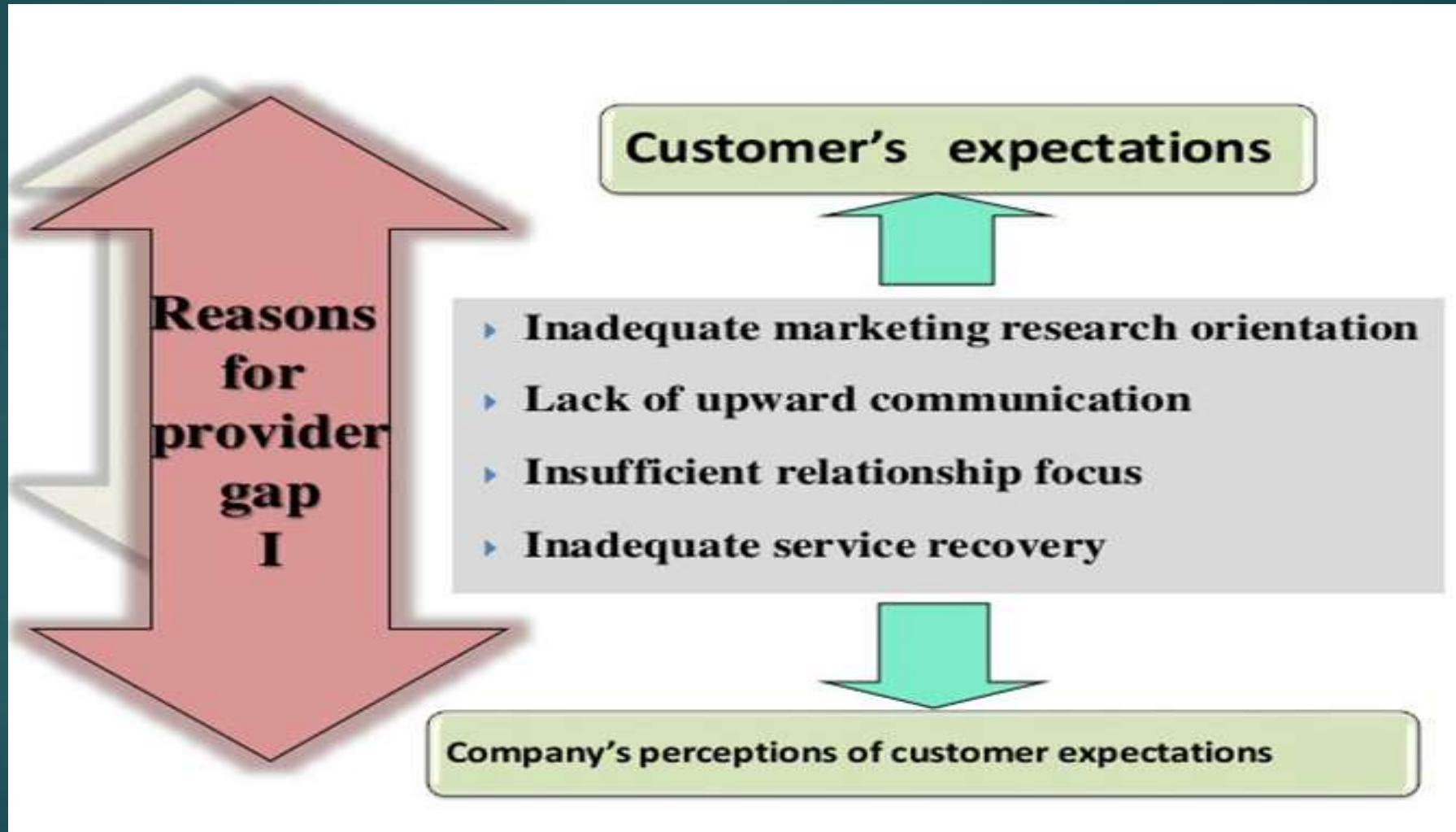
▶ **Measuring Service Quality SERVQUAL (RATER)**

- ▶ When it comes to ensuring service quality there are two important aspects to consider: the customer's expectations and the customer's perception of the performance. If the perceived performance exceeds expectations, the customer can be considered satisfied. If the expectations are not met, the customer will typically be dissatisfied.

RATER

- ▶ **Responsiveness** refers to how promptly the service provide is able to respond to the needs of the customer.
- ▶ **Assurance** is the level of confidence the customer has that the service will be performed adequately.
- ▶ **Tangibles** refers to the physical aspects involved in the rendering of services. This includes the facility, equipment and personnel that are performing the services.
- ▶ **Empathy** is the service provider's sense of caring and understanding of the customer and their needs.
- ▶ **Reliability** is the ability of the service provider to consistently provide services dependably and accurately compared to what was promised.

GAP 1: The listening gap



GAP 2: The service design and standards gap

Key Factors Leading to Provider Gap 2



Customer-Driven Service Designs and Standards

- *Poor Service Design*
Unsystematic new service development process
Vague, undefined service designs
- *Absence of Customer-Driven Standards*
Lack of customer-driven service standards
Absence of process management to focus on customer requirements
Absence of formal process for setting service quality goals
- *Inappropriate Physical Evidence and Servicescape*

Management Perceptions of Customer Expectations

GAP 3: The service performance gap

Key Factors Leading to Provider Gap 3 The Service Performance Gap



Customer-Driven Service Designs and Standards

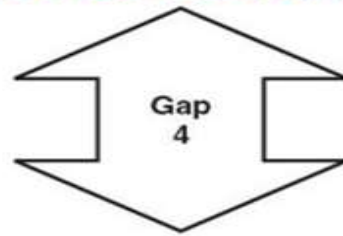
- **Deficiencies in human resource policies**
 - Ineffective recruitment
 - Role ambiguity and role conflict
 - Poor employee-technology job fit
 - Inappropriate evaluation and compensation systems
 - Lack of empowerment, perceived control, and teamwork
- **Customers who do not fulfill roles**
 - Customers who lack knowledge of their roles and responsibilities
 - Customers who negatively impact each other
- **Problems with service intermediaries**
 - Channel conflict over objectives and performance
 - Difficulty controlling quality and consistency
 - Tension between empowerment and control
- **Failure to match supply and demand**
 - Failure to smooth peaks and valleys of demand
 - Inappropriate customer mix
 - Overreliance on price to smooth demand

Service Delivery

GAP4: The communication gap

Key Factors Leading to Provider Gap 4

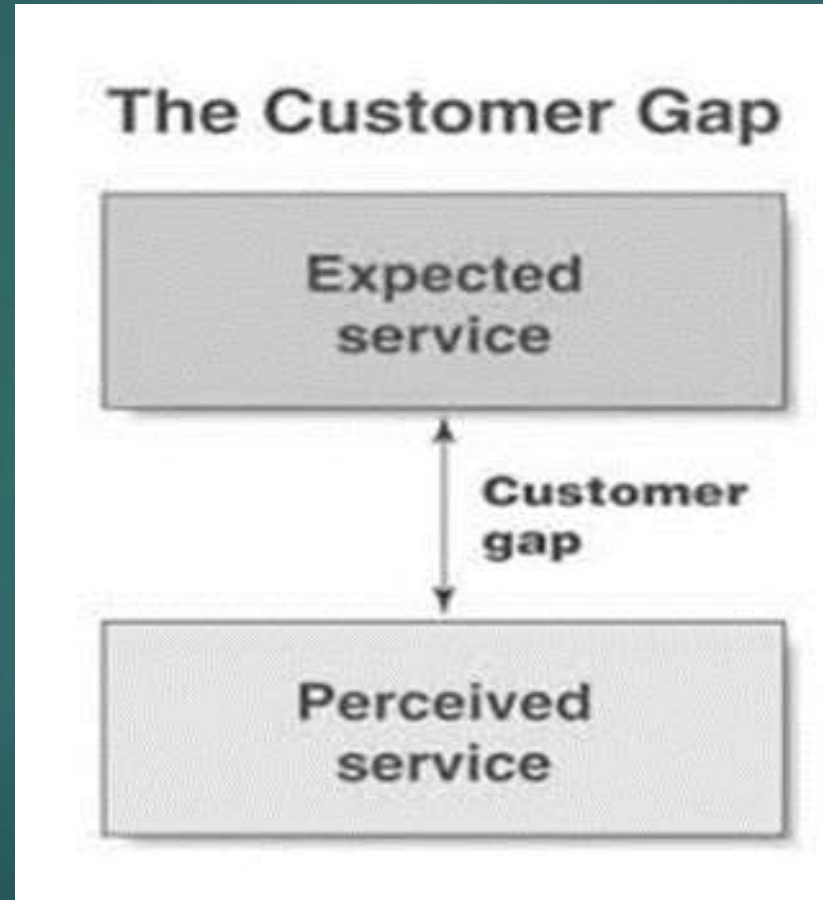
FIGURE 2.5
Key Factors Leading
to Provider Gap 4:
the Communication
Gap



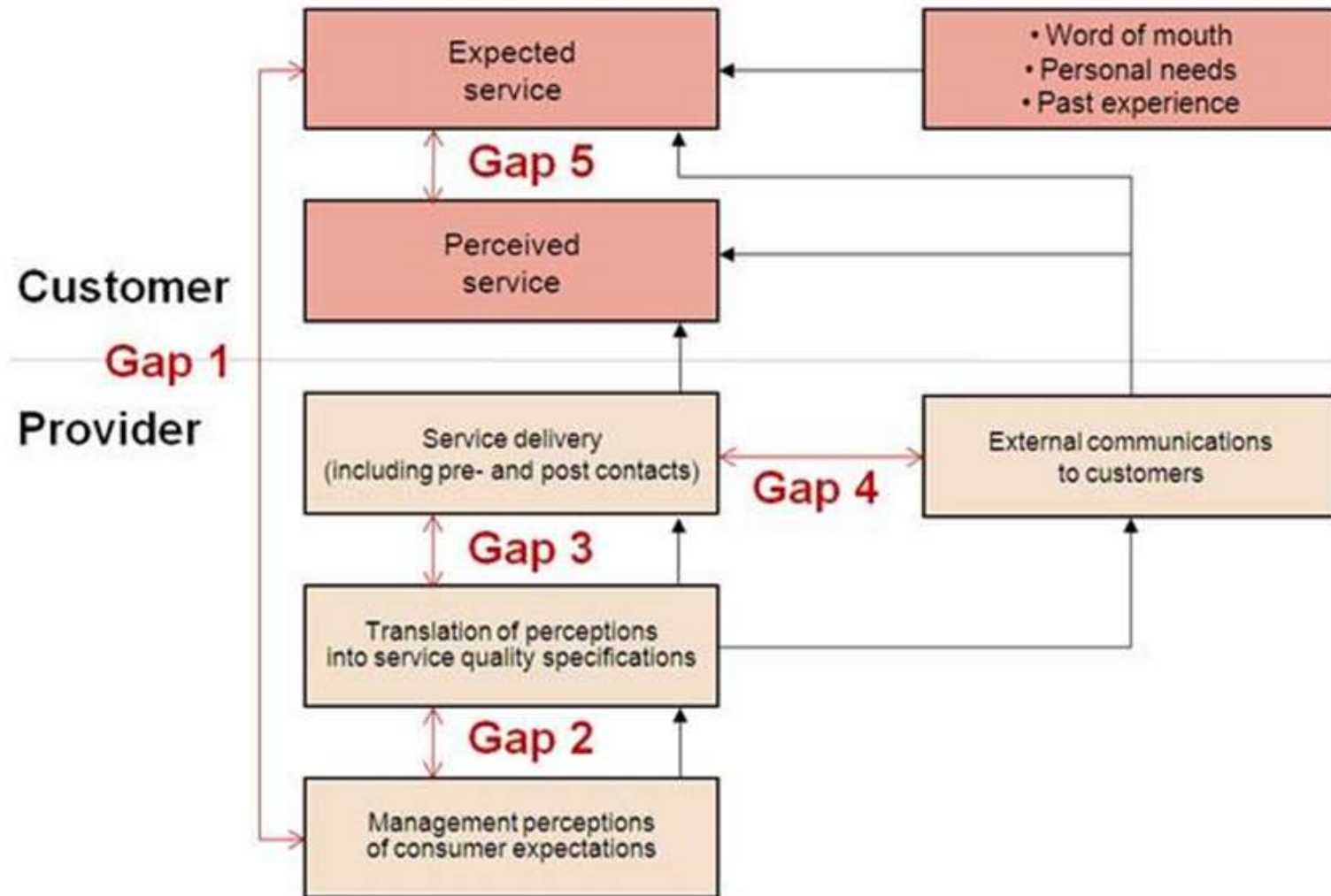
- **Lack of integrated services marketing communications**
Tendency to view each external communication as independent
Not including interactive marketing in communications plan
Absence of strong internal marketing program
- **Ineffective management of customer expectations**
Not managing customer expectation through all forms of communication
Not adequately educating customers
- **Overpromising**
Overpromising in advertising
Overpromising in personal selling
Overpromising through physical evidence cues
- **Inadequate horizontal communications**
Insufficient communication between sales and operations
Insufficient communication between advertising and operations
Differences in policies and procedures across branches or units
- **Inappropriate pricing**
High prices that raise customer expectations
Prices that are not tied to customer perceptions of value



Gap 5- The Customer GAP



Gap Model of Service Quality



The actual steps required to improve service quality will depend on the specific situation, but they can be grouped into three categories: understanding, performance, and communication.

- ▶ The best way to **improve understanding** of customer needs and expectations is to increase the amount of time that members of the organization, including management, spend observing and interacting with customers. This can include customer visits and shadowing those performing front line services. Customer surveys can also be used to collect information, although surveys do not remove the need for observing and interacting with customers directly.

Improving performance

- ▶ Improving performance will depend on the specific services being performed. The approaches however fall into two categories. One approach is to invest in creating service quality standards and developing rigorous training so that all employees understand how to properly perform services
- ▶ The other approach is to hire great people, work hard to retain and motivate them, coach them in areas where they need improvement, and give them the freedom to delight customers.

Communication

- ▶ Communication can easily undo all of the hard work put into improving understanding and performance. When it comes to improving communication, as it relates to service quality, it is important to make sure that communication to customers is prompt, that expectations are properly set up front, and that any changes or deviations are communicated as soon as possible. All communications should reflect an understanding of the customer's needs and expectations and consider the organization's ability to perform according to those expectations.