

Service quality

Learning outcomes

- Quality concept and service quality
- Determinants, attributes, elements of service quality – link to the previous lecture
- Customer expectations
- Gap model
- Servqual
- CIT and sequential incident technique
- Walk-through audit....link to the lecture focused on service design
- Costs of service quality
- Service control
- Service recovery
- ISO 20000-1:2018

Quality concept

- ❑ “although we cannot define quality, we know what quality is” (Pirsig, 1987)
- ❑ “quality is fitness for use, the extent to which the product successfully serves the purpose of the user during usage” (Juran, 1974)
- ❑ “quality is zero defects - doing it right the first time”, Parasuraman, Zeithaml and Berry, 1985)
- ❑ “quality is exceeding what customers expect from the service”, Zeithaml, Parasuraman and Berry, 1990)

Quality in practice

Conformance quality

producing the product/service according to specification every time, with no correction required

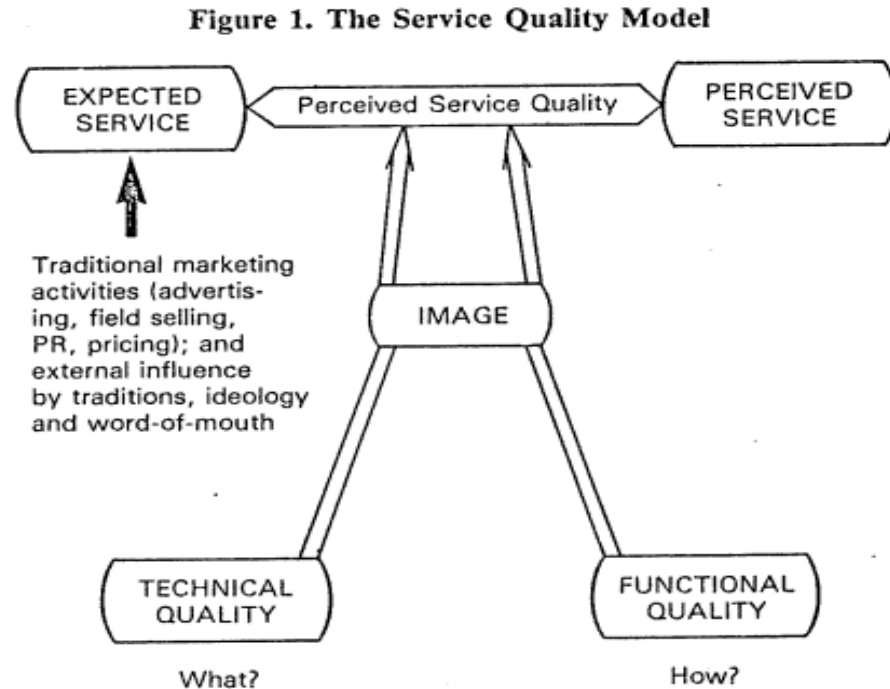
Quality-in-use

customer judgements about quality received and resultant level of customer satisfaction

Technological quality

superior performance features of product/service derived from advanced new technologies

Service quality



- Nordic school – **what and how dimensions** – what is created and delivered and how it is delivered – „a play“ between the dimensions

Grönroos, C. (1984). A service quality model and its marketing implications. *European Journal of marketing*, 18(4), 36-44.

Service quality

- service quality as "the discrepancy between customers' expectations and perceptions" (Parasuraman, Zeithaml, & Berry, 1994, p. 111)
- perceptions of quality as a function of "prior expectations of what will and what should transpire. . . and the actual delivered service" (p. 7) Boulding et al. (1993)
- perceptions of quality are only a function of perceived product performance (Cronin and Taylor, 1994)
- Service quality = a comparative function between consumer expectations and actual service performance (Parasuraman et al., 1985).
- customer satisfaction literature = "Disconfirmation Paradigm,,
- service quality literature = "Gap Model"
- (Service) quality- very subjective

- Quality and **value** (benefits and sacrifices) - Value may be conceptualized as

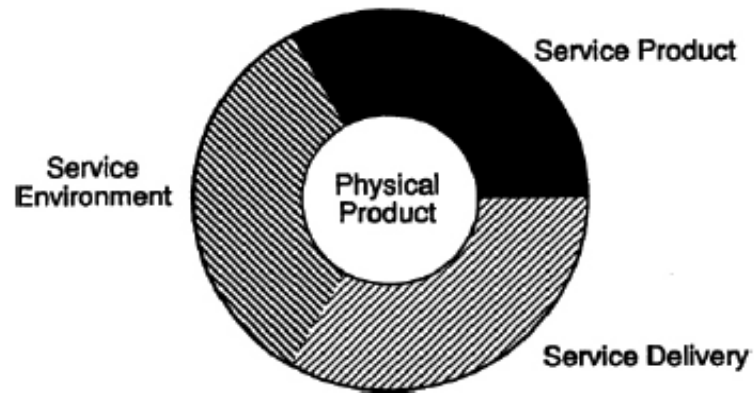
Value increases as quality increases and as „price“ decreases. **VALUE IS A PREFERENCE**

$$\text{Value} = \frac{\text{Results produced for the customer} + \text{Process quality}}{\text{Price to the customer} + \text{Costs of acquiring the service}}$$

- Customer satisfaction = a function of the discrepancy between a consumer's prior expectations and his or her perception regarding the purchase
- the word "satisfaction" is derived from the Latin *satis* (enough) and *facere* (to do or make). A related word is [p. 4 ↓] "satiation," which loosely means "enough" or "enough to excess." These terms illustrate the point that satisfaction implies a filling or fulfillment. Thus, consumer satisfaction can be viewed as the consumer's fulfillment response.
- **quality is one of the service dimensions factored into the consumer's satisfaction judgment.** Subsequent to this effect, satisfaction may *reinforce* quality perceptions, but only indirectly

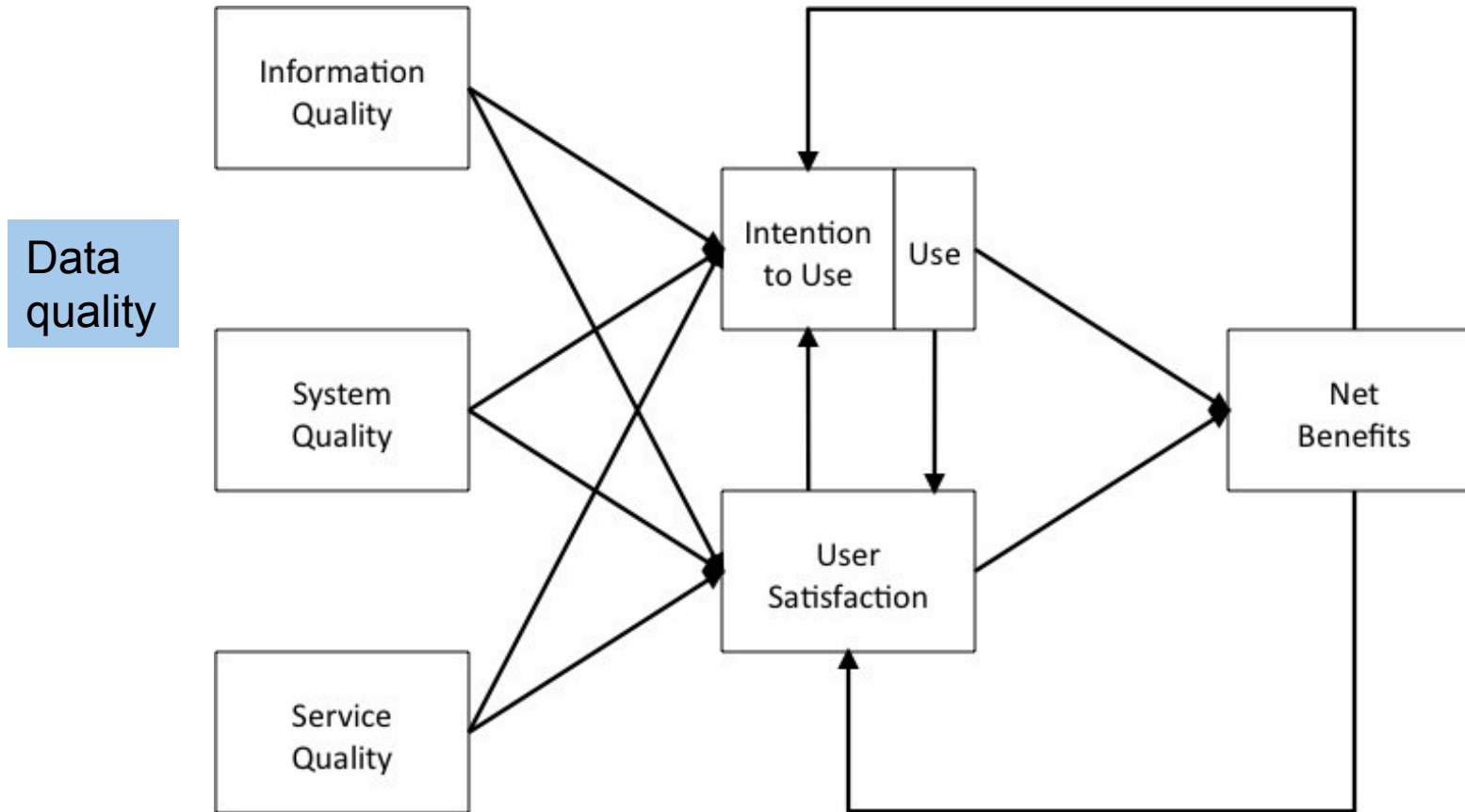
Components of service quality

Figure 1.3. Components of Quality



Rust, R. T., & Oliver, R. L. (Eds.). (1993). *Service quality: New directions in theory and practice*. Sage Publications.

QoS in Information Systems



For those who like reading: Gorla, N., Somers, T. M., & Wong, B. (2010). Organizational impact of system quality, information quality, and service quality. *The journal of strategic information systems*, 19(3), 207-228.

Delone and Mclean, Information Systems Success Theory

Determinants, elements, attributes of service quality

- access, appearance/aesthetics, availability, cleanliness/tidiness, comfort, communication, competence, courtesy, friendliness, reliability, responsiveness and security
- ----- tangibles, reliability, responsiveness, assurance and empathy
- access, communication, competence, courtesy, credibility, reliability, responsiveness, security, understanding and tangibles
- + attentiveness/helpfulness, care, commitment, functionality, integrity
- professionalism and skills; attitudes and behaviour;
- accessibility and flexibility; reliability and trustworthiness; recovery; reputation and credibility.
- care and concern, spontaneity, problem solving and recovery
- “firm” - time (including availability, waiting time and responsiveness), fault freeness (including physical items, information and advice) and flexibility (ability to recover from mistakes, to customize the service or add additional services and
- “soft” - style (attitude of staff, accessibility of staff and ambience), steering (the degree to which customers feel in control of their own destiny) and safety (trust, security and confidentiality)

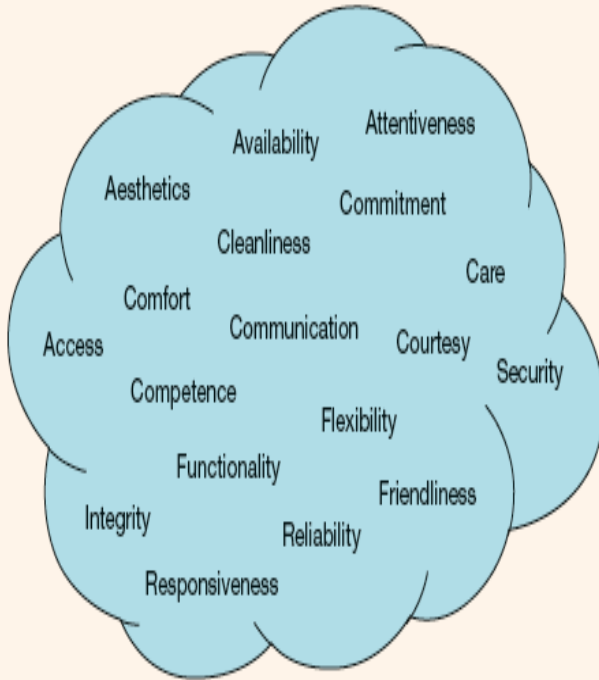


Figure 5.15 Eighteen service quality factors

- **Access** . The physical approachability of the service location, including the ease of finding one's way around the service process or route through the process.
- **Aesthetics** . The extent to which the components of the service and their experience of it are agreeable or pleasing to the customer, including both the appearance and the ambience of the service environment, the appearance and presentation of service facilities, 'products' and staff.
- **Attentiveness/helpfulness** . The extent to which the service, particularly contact staff, either provide help to the customer or give the impression of being interested in the customer and show a willingness to serve.
- **Availability** . The availability of service process, facilities, staff and 'products' to the customer. In the case of contact staff this means both the staff/customer ratio and the amount of time each staff member has available to spend with each customer. It also includes both the quantity and range of services (and 'products') available to the customer.
- **Care** . The concern, consideration, sympathy and patience shown to the customer. This includes the extent to which the customer is put at ease by the service and made to feel emotionally (rather than physically) comfortable.
- **Cleanliness/tidiness** . The cleanliness, neat and tidy appearance of the inputs to the service process, including the service environment, facilities, equipment, the contact staff and even other customers.

- **Commitment** . The staff 's apparent commitment to their work, including the pride and satisfaction they apparently take in their job, their diligence and thoroughness.
- **Communication** . The ability of service staff to communicate with customers in a way they will understand. This includes the clarity, completeness and accuracy of both verbal and written information communicated to the customer and the ability to listen to and understand the customer.
- **Competence** . The skill, expertise and professionalism with which the service is executed. This includes the carrying out of correct procedures, correct execution of customer instructions, the degree of 'product' or service knowledge exhibited by contact staff, the provision of good, sound advice and the general ability to do a good job.
- **Courtesy** . The politeness, respect and propriety shown by the service, usually contact staff, in dealing with customers and their property. This includes the ability of staff to be unobtrusive and uninterfering when appropriate.
- **Flexibility** . A willingness on the part of the service worker to amend or alter the nature of the service to meet the needs of the customer.
- **Friendliness** . The warmth and personal approachability (rather than physical approachability) of the service, particularly of contact staff, including a cheerful attitude and the ability to make the customer feel welcome.
- **Functionality** . The serviceability and fitness for purpose of service.
- **Integrity** . The honesty, justice, fairness and trustworthiness with which customers are treated by the service organisation.
- **Reliability** . The reliability and consistency of performance of the service and its staff. This includes punctual service delivery and the ability to keep to agreements made with the customer.
- **Responsiveness** . The speed and timeliness of service delivery. This includes the speed of throughput and the ability of the service to respond promptly to customer service requests, with minimal waiting and queuing time.

Hygiene and enhancing factors

Although they will vary from organisation to organisation and also from customer to customer, the service quality factors can be divided into four groups. These groupings are defined in terms of a factor's ability to dissatisfy and/or delight: see Figure 5.16.²²

- **Hygiene factors** are those that need to be in place: if they are they will satisfy, if not they will be a source of dissatisfaction. They are not likely to be a source of delight. For a bank, security, integrity and functionality, for example, are expected to be acceptable; if they are not acceptable they will dissatisfy. On the other hand, if these factors are over-specified they will not delight. A very large number of security checks will not delight customers; indeed they could dissatisfy them. Having all cash machines in perfect working order all of the time will not delight them either.
- **Enhancing factors** have the potential to delight if they are present, but if they are not there they are not likely to dissatisfy the customer. Customers of a bank may be delighted with a warm, caring approach by a member of staff or their flexibility in dealing with a problem;

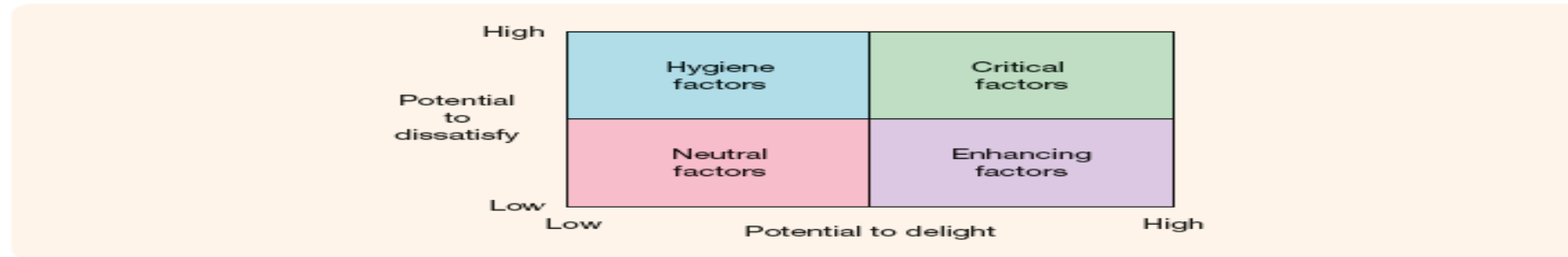


Figure 5.16 Delighting and dissatisfying factors

Source: Adapted from Lockwood, Andrew (1994), 'Using Service Incidents to Identify Quality Improvement Points', *International Journal of Contemporary Hospitality Management* 6 (1/2) 75–80. Reprinted by permission of Emerald Group Publishing Limited, www.emeraldinsight.com/vl/jchm.htm

however, these things are not necessarily expected so, if they are not provided, their absence may not lead to dissatisfaction.

✎ **Critical factors** have the potential to both delight and dissatisfy. Responsiveness, communication and competence of bank staff and systems must be at least acceptable so as not to dissatisfy the customer, but if more than acceptable they have the potential to delight.

✎ **Neutral factors** have little effect on satisfaction. The comfort or aesthetics of a banking hall may play no part in customers' satisfaction or dissatisfaction

E-service quality dimensions

Table 2: E-service quality dimensions

Barnes and Vidgen, 2002	Santos, 2003	Wolfenbarger and Gilly, 2003	Ribbink, van Riel, Liljander and Straukens, 2004	Lee and Lin, 2005	Parasuraman Zeithaml and Malhotra, 2005	Raman, Stephenaus, Alam and Kuppusamy, 2008	Swaid and Wigand, 2009
<ul style="list-style-type: none"> ● Usability ● Design ● Information ● Trust ● Empathy 	<ul style="list-style-type: none"> ● Ease of use ● Appearance ● Linkage ● Structure and layout ● Content ● Reliability ● Efficiency ● Support ● Communication ● Security ● Incentive 	<ul style="list-style-type: none"> ● Fulfillment /reliability ● Website design ● Customer service ● Security /privacy 	<ul style="list-style-type: none"> ● Ease of use ● E-scape (i.e. web site design) ● Customization ● Responsiveness ● Assurance 	<ul style="list-style-type: none"> ● Website design ● Reliability ● Responsiveness ● Trust ● Personalization 	<p>Web site's entire customer base:</p> <ul style="list-style-type: none"> ● Efficiency ● Fulfillment ● System availability ● Privacy <p>For customers with nonroutine encounters:</p> <ul style="list-style-type: none"> ● Responsiveness ● Compensation ● Contact 	<ul style="list-style-type: none"> ● Ease of use ● Appearance ● Reliability ● Customization ● Communication ● Incentive 	<ul style="list-style-type: none"> ● Website usability ● Information quality ● Reliability ● Responsiveness ● Assurance ● Personalization

Table 5 – Common issue area: information system quality

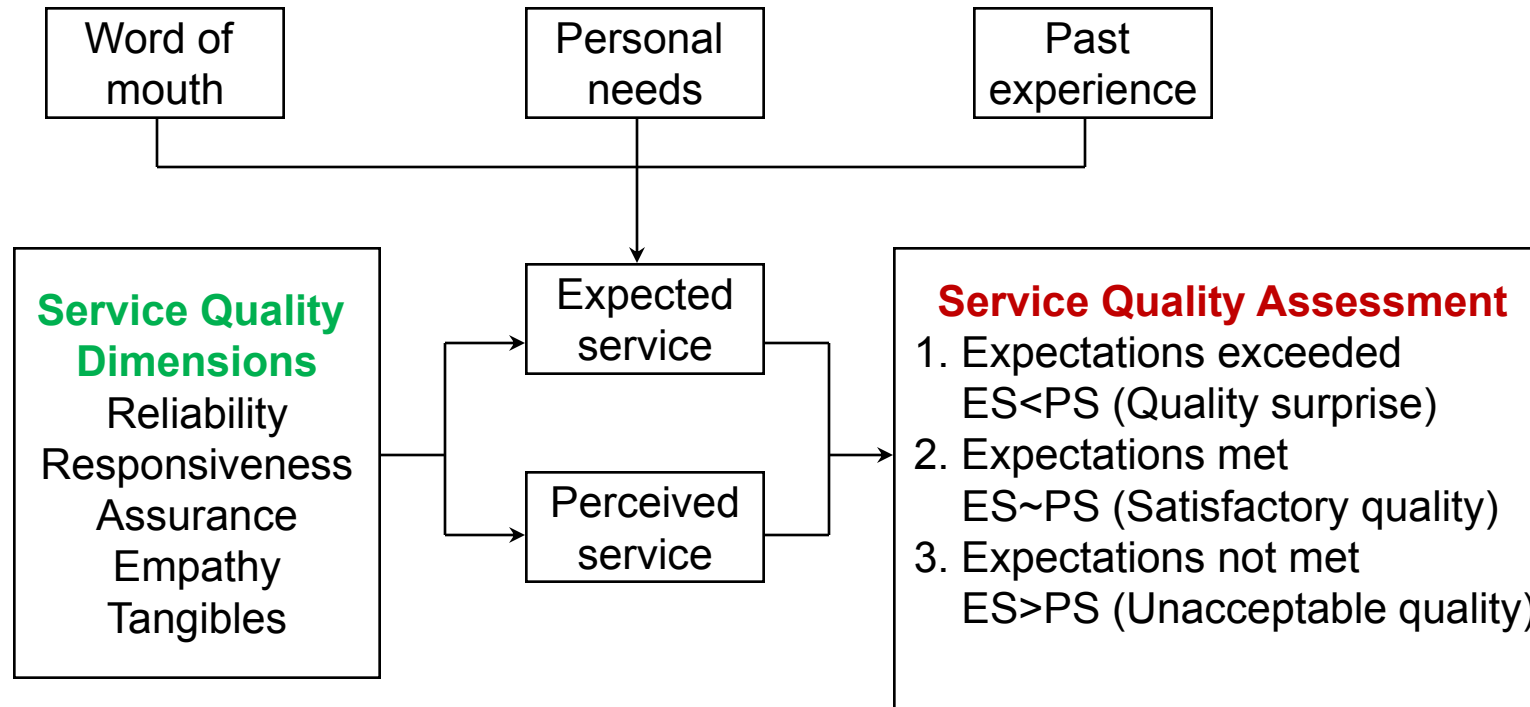
Measurement Category	Measure	Indicator
Functional Correctness	Defects	Defect density
	<i>Security flaws and vulnerabilities</i>	
Portability	Standards Compliance	Interface compliance validation
Usability	Problems and Errors	Number of prevented problems daily Number of incidents related to problems daily
Availability – reliability – maintainability	Time to Restore	MTBSI – mean time between system incidents MTBF – mean time between system failures MTRS – mean time to restore system Number of incidents resolved out of all incidents daily
Component capacity	Performance of technical components	Number of system failures related to component performance
	Capacity of technical components	Number of system failures related to component capacity
Scalability	Growth without business disturbance	Incidents related to the speed of growth
Adjustability	Complexity	System complexity
	<i>Business customization</i>	<i>System adjustability</i>

Table 6 – Common issue area: IT service quality

Measurement Category	Measure	Indicator
IT Service Availability	Maintainability	MTRS – mean time to restore IT service after failure
IT Service Continuity	Business Impact Analysis (BIA) measures	Business impact on the loss of IT service (financial) Mean time to recovery Incidents related to IT service continuity Changes related to IT service continuity <i>Business impact on service unavailability</i> <i>Business impact on service performance degradation</i> <i>Business impact on delayed solutions</i>
	Management of Risks (M o R)	Number of identified risks and threats Weighted average of the impact of aggregated risks
IT Service Capacity	Capacity of operational services	Incidents related to IT service capacity Changes related to IT service capacity
IT Service Performance	Speed of information processing	Incidents related to IT service performance Changes related to IT service performance
<i>IT Service Utilization</i>	<i>Service importance to business</i>	<i>Utilization rate of IT service functions</i>
Information Security	Confidentiality	Incidents related to information confidentiality Changes related to information confidentiality
	Integrity	Incidents related to information integrity Changes related to information integrity
	Availability	Incidents related to information availability Changes related to information availability
IT Service	Dependability	Incidents, RFCs and problems handled daily

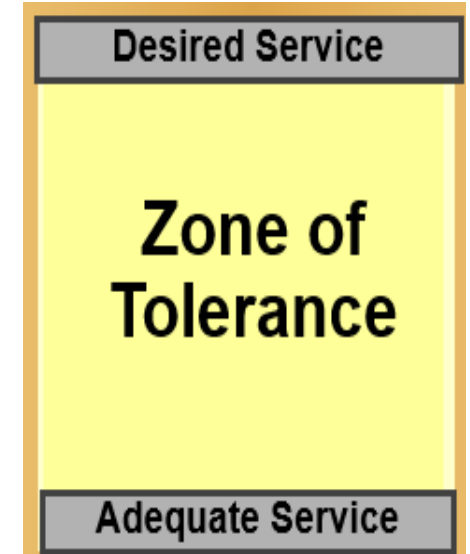
Reliability		Mean time to achieve incident resolution
<i>Monetary value of the IT service</i>	<i>Financial measures</i>	<i>Cost - actual cost for service provider to provide the service</i> <i>Price - actual price customer paid for received services</i> <i>Accuracy of service operation functions' forecast</i> <i>Competitiveness of service</i>

Perceived Service Quality



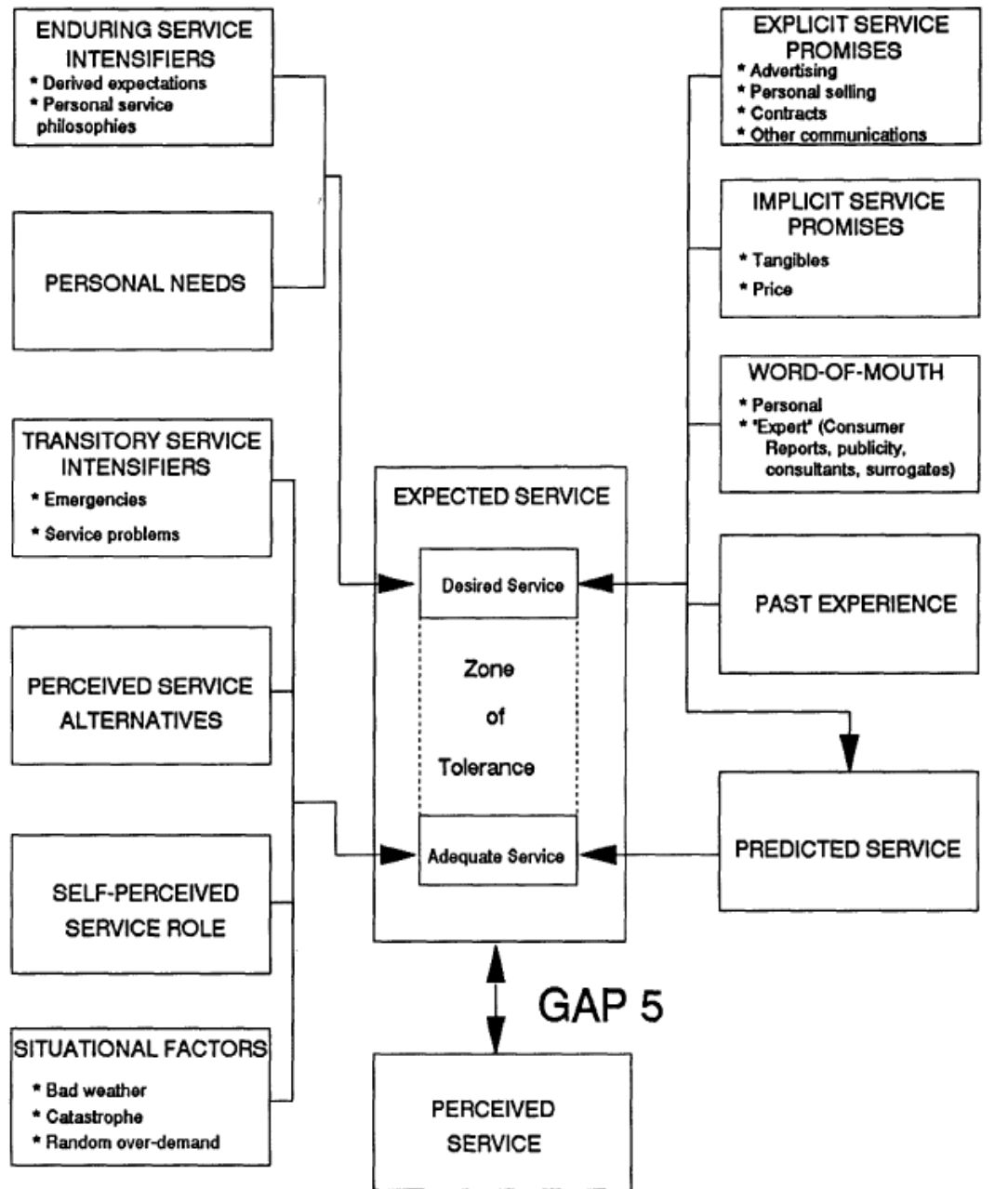
Customer Expectations of Service

- Customers hold **individual and different types of expectations** for service performance – **very often not able to define (esp. B2C + intangibility)**
- **desires, wishes, needs, experience, standards**
- ? What are controllable and uncontrollable sources of customer expectations
- Necessity to distinguish between customers' global expectations of their relationships and their expectations of the service encounter
- Acknowledge that expectations are similar for many different types of customers
- Delineate the most important current issues surrounding customer expectations



Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1993). The nature and determinants of customer expectations of service. *Journal of the academy of Marketing Science*, 21, 1-12.

Nature and Determinants of Customer Expectations of Service

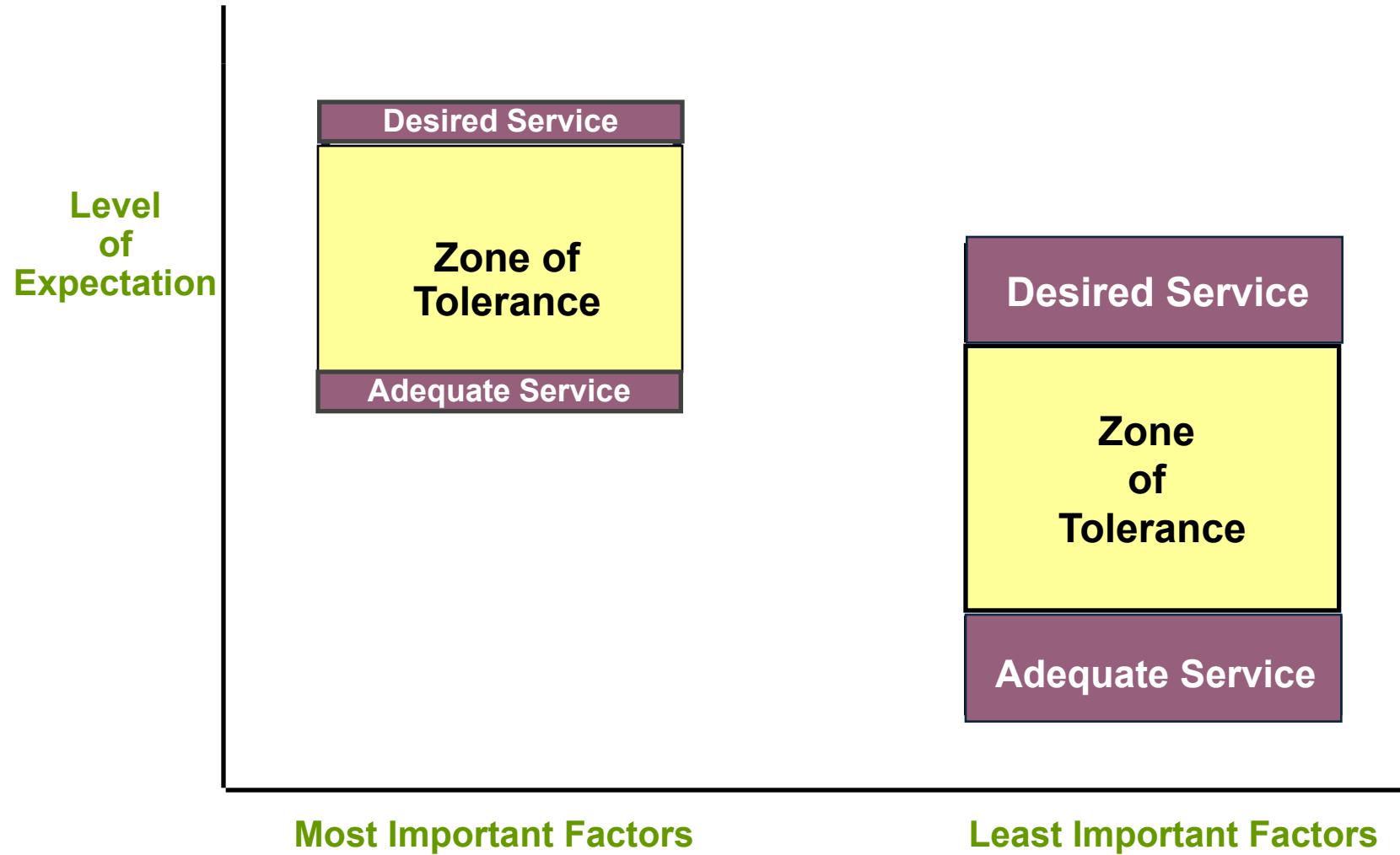


Enduring service intensifiers are individual, stable factors that lead the customer to a heightened sensitivity to service. One of those factors is derived service expectations, where the customer's expectations are driven by another party.

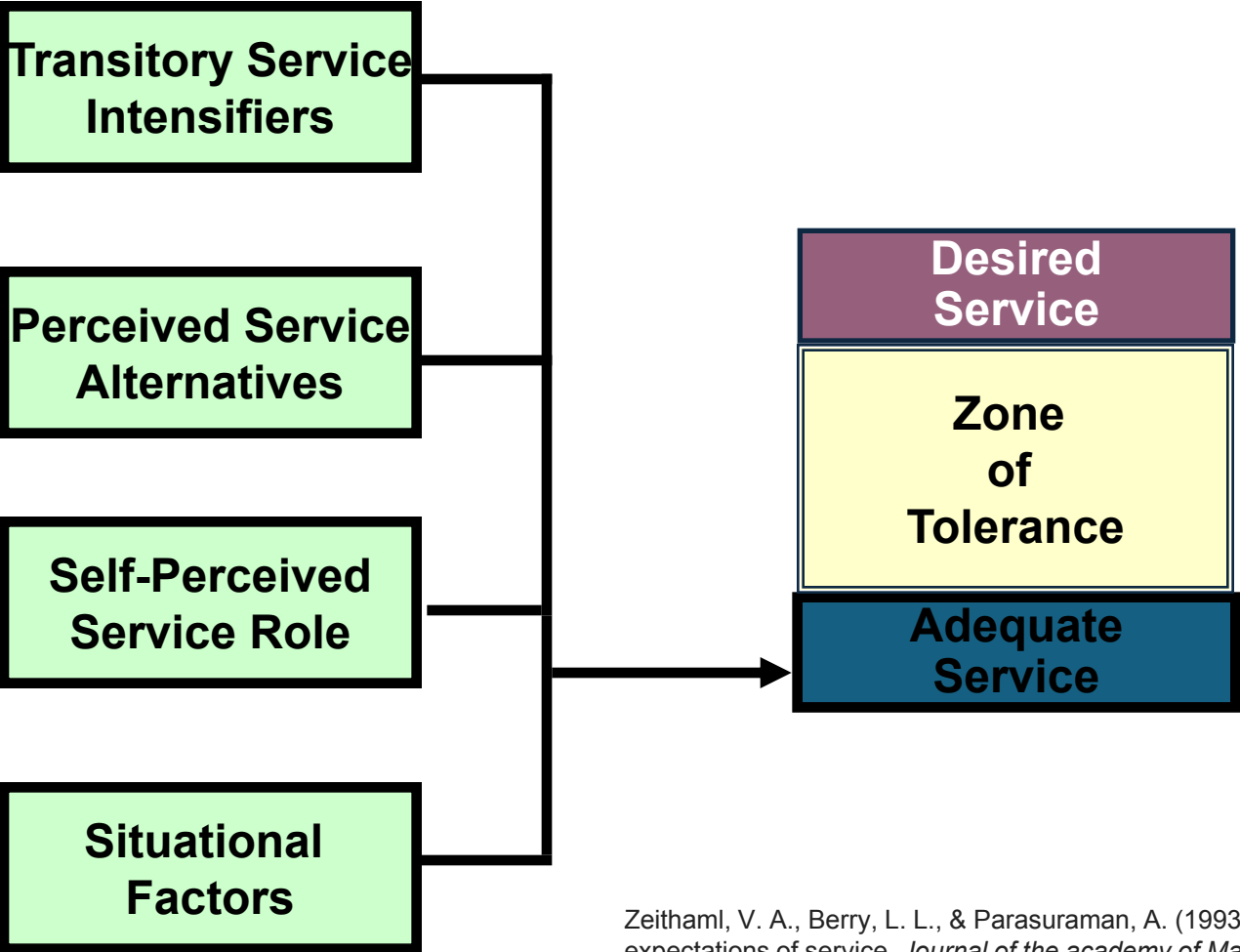
personal service philosophy -the customer's underlying generic attitude about the meaning of service and the proper conduct of service providers

Transitory service intensifiers are temporary, usually short-term, individual factors that lead the customer to a heightened sensitivity to service

self-perceived service role - customers' perceptions of the degree to which they themselves influence the level of service they receive.



Factors that influence adequate service



Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1993). The nature and determinants of customer expectations of service. *Journal of the academy of Marketing Science*, 21, 1-12.

Service Quality Gap Model

Gaps in Service Quality

➤ Gap 1: Market research gap

- ✓ Management may not understand how customers formulate their expectations from past experience, advertising, communication with friends
 - ❖ Improve market research
 - ❖ Foster better communication between employees and its frontline employees
 - ❖ Reduce the number of levels of management that distance the customer

➤ Gap 2: Design gap

- ✓ Management unable to formulate target level of service to meet customer expectations and translate them to specifications
 - ❖ Setting goals and standardizing service delivery tasks can close the gap

➤ Gap 3: Conformance gap

- ✓ Actual delivery of service cannot meet the specifications set by management
 - ❖ Lack of teamwork
 - ❖ Poor employee selection
 - ❖ Inadequate training
 - ❖ Inappropriate job design

Continued....

➤ Gap 4: Communication gap

- ✓ Discrepancy between service delivery and external communication
 - ❖ Exaggerated promises in advertising
 - ❖ Lack of information provided to contact personnel to give customers

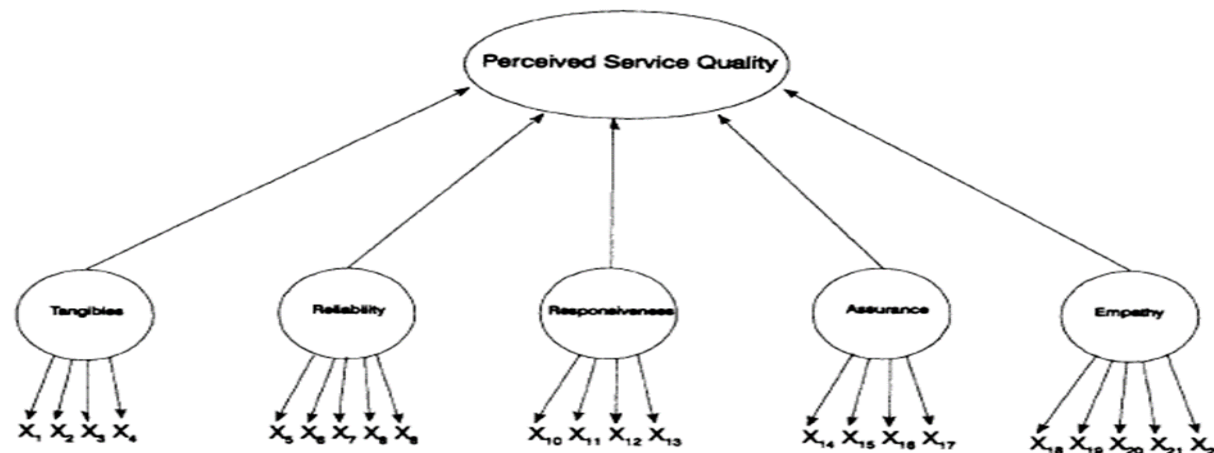
➤ Gap 5: Customer expectations and perceptions gap

- ✓ Customer satisfaction depends on minimizing the four gaps that are associated with service delivery
- ✓ Companies try to measure the gap between expected service and perceived service through the use of surveys (ex. Fig. 6.2)
- ✓ SERVQUAL – measures the five dimensions (table 6.1)

Continued.....

- Gap 5: Customer expectations and perceptions gap
 - ✓ Customer satisfaction depends on minimizing the four gaps that are associated with service delivery
 - ✓ Companies try to measure the gap between expected service and perceived service through the use of surveys
 - ✓ **SERVQUAL** – measures the five dimensions of service quality – a pair-wise questionnaire

Service Quality as Conceptualized by Parasuraman, Zeithaml, and Berry (1988)



SERVQUAL Attributes

RELIABILITY

- Providing service as promised
- Dependability in handling customers' service problems
- Performing services right the first time
- Providing services at the promised time
- Maintaining error-free records

RESPONSIVENESS

- Keeping customers informed as to when services will be performed
- Prompt service to customers
- Willingness to help customers
- Readiness to respond to customers' requests

ASSURANCE

- Employees who instill confidence in customers
- Making customers feel safe in their transactions
- Employees who are consistently courteous
- Employees who have the knowledge to answer customer questions

EMPATHY

- Giving customers individual attention
- Employees who deal with customers in a caring fashion
- Having the customer's best interest at heart
- Employees who understand the needs of their customers
- Convenient business hours

TANGIBLES

- Modern equipment
- Visually appealing facilities
- Employees who have a neat, professional appearance
- Visually appealing materials associated with the service

Servqual

THE SERVQUAL INSTRUMENT^a

DIRECTIONS: This survey deals with your opinions of _____ services. Please show the extent to which you think firms offering _____ services should possess the features described by each statement. Do this by picking one of the seven numbers next to each statement. If you strongly agree that these firms should possess a feature, circle the number 7. If you strongly disagree that these firms should possess a feature, circle 1. If your feelings are not strong, circle one of the numbers in the middle. There are no right or wrong answers—all we are interested in is a number that best shows your expectations about firms offering _____ services.

- E1. They should have up-to-date equipment.
- E2. Their physical facilities should be visually appealing.
- E3. Their employees should be well dressed and appear neat.
- E4. The appearance of the physical facilities of these firms should be in keeping with the type of services provided.
- E5. When these firms promise to do something by a certain time, they should do so.
- E6. When customers have problems, these firms should be sympathetic and reassuring.
- E7. These firms should be dependable.
- E8. They should provide their services at the time they promise to do so.
- E9. They should keep their records accurately.
- E10. They shouldn't be expected to tell customers exactly when services will be performed. (—)^b
- E11. It is not realistic for customers to expect prompt service from employees of these firms. (—)
- E12. Their employees don't always have to be willing to help customers. (—)
- E13. It is okay if they are too busy to respond to customer requests promptly. (—)
- E14. Customers should be able to trust employees of these firms.
- E15. Customers should be able to feel safe in their transactions with these firms' employees.
- E16. Their employees should be polite.

- E17. Their employees should get adequate support from these firms to do their jobs well.
- E18. These firms should not be expected to give customers individual attention. (—)
- E19. Employees of these firms cannot be expected to give customers personal attention. (—)
- E20. It is unrealistic to expect employees to know what the needs of their customers are. (—)
- E21. It is unrealistic to expect these firms to have their customers' best interests at heart. (—)
- E22. They shouldn't be expected to have operating hours convenient to all their customers. (—)

DIRECTIONS: The following set of statements relate to your feelings about XYZ. For each statement, please show the extent to which you believe XYZ has the feature described by the statement. Once again, circling a 7 means that you strongly agree that XYZ has that feature, and circling a 1 means that you strongly disagree. You may circle any of the numbers in the middle that show how strong your feelings are. There are no right or wrong answers—all we are interested in is a number that best shows your perceptions about XYZ.

- P1. XYZ has up-to-date equipment.
- P2. XYZ's physical facilities are visually appealing.
- P3. XYZ's employees are well dressed and appear neat.
- P4. The appearance of the physical facilities of XYZ is in keeping with the type of services provided.
- P5. When XYZ promises to do something by a certain time, it does so.
- P6. When you have problems, XYZ is sympathetic and reassuring.
- P7. XYZ is dependable.
- P8. XYZ provides its services at the time it promises to do so.
- P9. XYZ keeps its records accurately.
- P10. XYZ does not tell customers exactly when services will be performed. (—)
- P11. You do not receive prompt service from XYZ's employees. (—)
- P12. Employees of XYZ are not always willing to help customers. (—)
- P13. Employees of XYZ are too busy to respond to customer requests promptly. (—)
- P14. You can trust employees of XYZ.
- P15. You feel safe in your transactions with XYZ's employees.
- P16. Employees of XYZ are polite.
- P17. Employees get adequate support from XYZ to do their jobs well.
- P18. XYZ does not give you individual attention. (—)
- P19. Employees of XYZ do not give you personal attention. (—)
- P20. Employees of XYZ do not know what your needs are. (—)
- P21. XYZ does not have your best interests at heart. (—)
- P22. XYZ does not have operating hours convenient to all their customers. (—)

^a A seven-point scale ranging from "Strongly Agree" (7) to "Strongly Disagree" (1), with no verbal labels for the intermediate scale points (i.e., 2 through 6), accompanied each statement. Also, the statements were in random order in the questionnaire. A complete listing of the 34-item instrument used in the second stage of data collection can be obtained from the first author.

^b Ratings on these statements were reverse-scored prior to data analysis.

Critical incidents technique - CIT

- CI = interaction incidents, which the customer perceives or remembers as unusually positive or negative when asked about them. Customers recall them and tell them as stories
- finding the most frequent service- quality dimensions or determinants
- personal interviews, focus group interviews, direct or participatory observation,digital technologies..(but not human side – machine failures, product failures)
- traditional content analysis
- **THE BEST APPROACH:** ask both – customer and employee – quantitative research (different incidents, solutions, perceptions– or for the specific one service also qualitative (different views, evaluations, perspectives)
- The critical incident technique produces information on **service quality experiences** that guide consumer behaviour. Several studies prove that customers remember these reported cases as being particularly satisfying or annoying for a long time, often for years, and that they strongly determine the customer's evaluation of service quality

Put yourself in the shoes of customers of your firm. In other words, try to see your firm through your customers' eyes.

Think of a recent time when a customer of your firm had a particularly satisfying (dissatisfying) interaction with yourself or a fellow employee. Describe the situation and exactly what happened.

They were then asked the following questions:

1. When did the incident happen?
2. What specific circumstances led up to this situation?
3. Exactly what did you or your fellow employee say or do?
4. What resulted that made you feel the interaction was satisfying (dissatisfying) from the customer's point of view?
5. What should you or your fellow employee have said or done? (for dissatisfying incident only)

To be used in the analysis, an incident was required to (1) involve employee-customer interaction, (2) be very satisfying or dissatisfying from the customer's point of view, (3) be a discrete episode, and (4) have sufficient detail to be visualized by the interviewer. Seven incidents failed to meet

EXAMPLE – EMPLOYEE: Bitner, M. J., Booms, B. H., & Mohr, L. A. (1994). Critical service encounters: The employee's viewpoint. *Journal of marketing*, 58(4), 95-106.

BUT!!!! there are different aspects concerning time, memory and judgement processes that influence customers' perceptions of criticality

Limitations of CIT

- (1) Critical incidents record **only exceptional** customer encounters. They represent from the customer's point of view an extensive under- or overfulfilment of their expectations. Of course, it is important from the service provider's perspective to obtain this information about minimum requirements and value-adding qualities. But the everyday perception of quality is normally not as dramatic as that reflected in the collection of critical incidents. Therefore, **customers often find it rather difficult to name a critical incident in a survey focusing on one specific (e.g. the last) service encounter. At the same time, there are experiences of which customers are aware and which accordingly influence their cognition and behaviour but which they do not rate as exceptionally positive or negative, and these experiences remain unconsidered. These incidents can be characterized as "usual" or "ordinary" incidents (Stauss, 1995). They are "the little things that customers may find satisfying or dissatisfying during a service encounter but do not report in unaided responses as critical incidents"** (Botschen *et al.*, 1993, p. 10).
- (2) In CIT surveys all experiences reported are normally included **regardless of how serious** these incidents are considered by the customer. Thus, **it remains unclear from which point customers start to view an incident as a "critical" incident.**
- (3) As well as most other methods for measuring perceived service quality, the critical incident technique **does not take the process character of service consumption into account.** This applies to both the collection of incidents and to their categorization. Customers are not asked to report critical incidents related to fractions of the process. The evaluation normally follows according to quality dimensions or problem categories and not according to phases of the process or contact points.

Sequential incident technique

- **visualized customer process (customer path diagram)**. Both positive and negative incidents can be collected.
- A slightly different approach – named **sequence-oriented problem identification (SOPi) asks for negative incidents only**.
- The application of this method consists of two essential steps:
 - a) the determination of the customer path and
 - b) the collecting of incidents in interviews.
- The basis of every process-oriented quality measurement is the investigation of the customer process.
- This basic procedure can be varied slightly **to gain additional insights**. It is particularly useful to ask the respondents after each incident reported **to specify the degree of incident importance**. This provides the opportunity for specific analyses about incidents perceived as usual/not very important and critical/important. Also, this information on the frequency of negative incidents and the degree of perceived annoyance provided allows the additional application of the **frequency relevance analysis of problems (FRAP)**.
- Usually, the FRAP is applied in an aided version. This means that a list of customer problems is created on the basis of interviews with customers or by analysing customer complaints. In a separate survey customers are asked about the occurrence and the perceived importance of the listed problems.

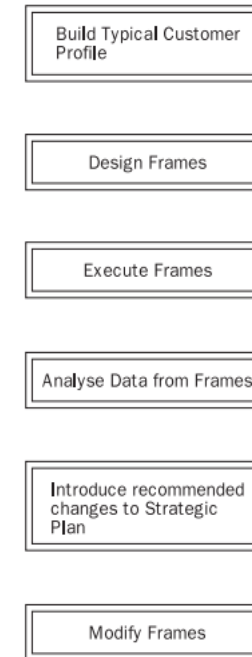
- Customer path:
 - Service blueprinting
 - Service mapping
- Discrete episode

Walk-Through-Audit

- Impressions about service quality are determined by both the outcome and the process (because customers are a part of service delivery)
- Walk through audit is a customer-focused survey to find the areas for improvement
 - Entire customer experience is traced from beginning to end, and a **flow chart** of customer interaction with service system is made
 - Customer is asked for his/her impressions on each of these interactions
 - Managers and employees also „walk-through“
- Customers can provide a new perspective to service – they can notice things easily as they are new in the system
- Service managers and employees can get de-sensitize to their surroundings and also may not notice marginal decreases in service levels.



Figure 2
Stages in a walk-through audit



attempt to evaluate the success of these activities, or to monitor the outcome in terms of customer satisfaction.

Stage 2: design frames

A walk-through audit frame is a series of questions which attempt to assess customer experience. By moving through the series of activities in a typical customer profile an attempt is made to assess the total customer experience. The frame is designed to be carried around the museum and the questions answered as the activities are completed. These questions will monitor such aspects as:

- outcome;
- the success of an activity;
- waiting/queuing periods;
- quality of customer service;
- impact of environmental considerations.

Once a set of frames has been drafted a pilot run should be executed in order to refine the frames further, before the final frames are ready for use.

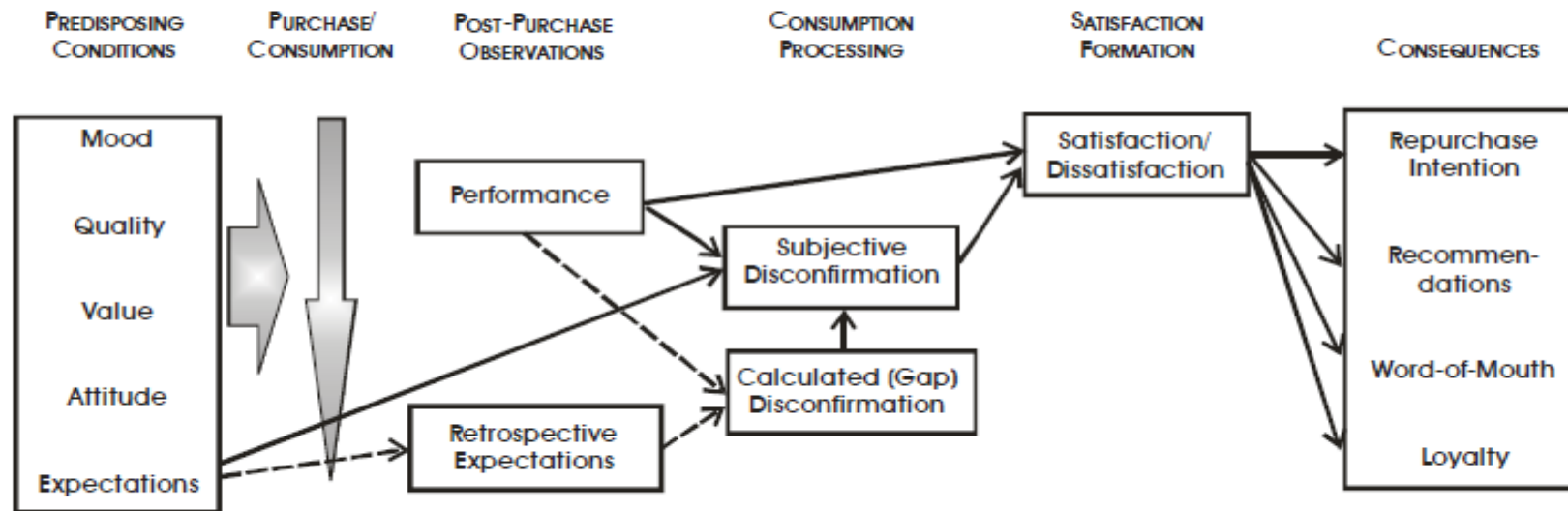
Stage 3: execute frames

The execution of the frames involves actually conducting a walk-through audit. This should be executed at random moments which have been pre-selected but which are not known to the staff. It is important to emphasise that the exercise is in no sense an appraisal or an evaluation of individual members of staff, but rather a methodology to lend a view of the customer's experience of the museum. Frames should be executed as many times as is necessary to cater for the possible values of appropriate variables, and this number of times will depend upon the individual museum. In general, however, it is not envisaged that frames be executed more than say ten times in each cycle since the

required will depend upon the range of activities and services and the distinct types of customer experiences to be monitored. Personnel for execution of a walk-through audit deserves comment. It is important that there is top management commitment to the process and involvement of senior staff, in the design of the frames possibly with the support of consultants. The execution of the frames is best in the hands of a disinterested person, such as a new member of staff, a junior member of staff or a student on placement. The process should also act as a

Quality and.....satisfaction ...and ...consequencies

Antecedents and Consequences of Satisfaction
Illustrating the Expectancy Disconfirmation Sequence



- Oliver, R. L. (2006). Customer satisfaction research. *The handbook of marketing research: Uses, misuses, and future advances*, 1, 569-587.

Cost of Quality

- Products can be returned or exchanged if faulty; but what recourse does customer have to **faulty services**?
 - ✓ **Legal recourse**, claims, complaints, word-of mouth
- ✓ **Prevention cost**
 - ✓ Costs associated with activities that keep failure from happening and minimize detection cost
- **Detection cost**
 - ✓ Costs incurred to ascertain the condition of a service to determine whether it conforms to safety standards
- **Internal failure**
 - ✓ Costs incurred to correct nonconforming work prior to delivery to the customer
- **External failure**
 - ✓ Costs incurred to correct nonconforming work after delivery to customer or to correct work that did not satisfy a customer's special needs
- \$1 in invested in prevention = \$100 in detection = \$10,000 in failure cost (Juran)

Costs of Service Quality

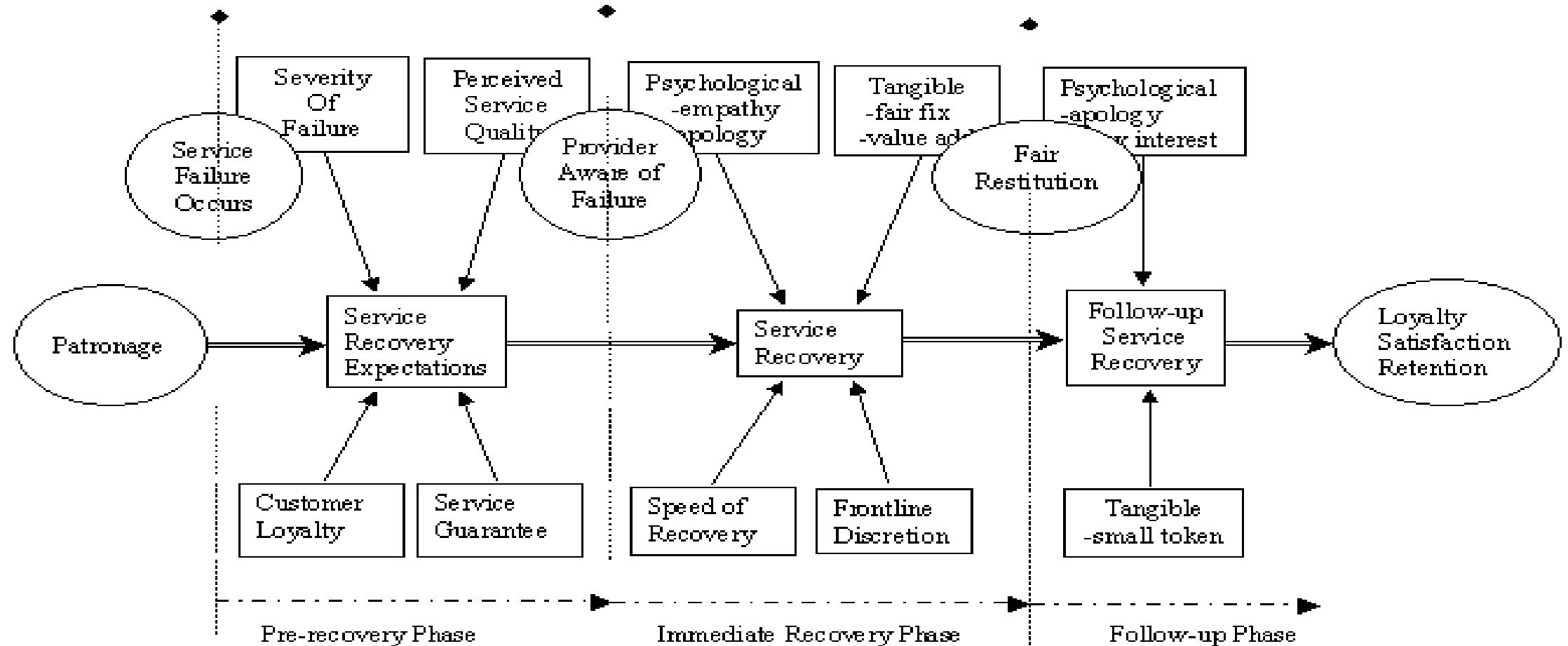
Service Process Control

- The control of service quality can be viewed as a **feedback control system** – where output is compared with a standard.
- The deviation from the standard is communicated back to the input, and adjustments are made to the process to keep the output within the defined range.
- **Difficult to implement** an effective control cycle for service due to the **intangible nature of service**, which makes direct measurement difficult – so we proxy or surrogate measures.
- **Simultaneous** nature of production and consumption – prevents any direct intervention in the service process to observe conformance to requirements.
 - ❖ Consequently, we ask customers to express their impression of service quality **after the consumption** – by which time we are too late to avoid service failure.
 - ❖ Instead, we try to focus on delivery process by employing SPC
 - ❖ In the digital life - easier

Service Recovery

- Disasters can be turned into satisfied and loyal customers by proper and rapid service recovery
- Frontline workers, therefore, need to be properly trained and given the discretion to make things right.
- Approaches to service recovery
 - ✓ Case-by-case addresses each customer's complaint individually but could lead to perception of unfairness.
 - ✓ Systematic response uses a protocol to handle complaints but needs prior identification of critical failure points and continuous updating.
 - ✓ Early intervention attempts to fix problem before the customer is affected.
 - ✓ Substitute service allows rival firm to provide service but could lead to loss of customer.

Service recovery framework



ISO/IEC 20000-1 :2018

ISO/IEC 20000-1:2018(E)

- **Information technology — Service management —**
- **Part 1:Service management system requirements**
- specify requirements for establishing, implementing, maintaining and continually improving a service management system (SMS). An SMS supports the management of the service lifecycle, including the planning, design, transition, delivery and improvement of services, which meet agreed requirements and deliver value for customers, users and the organization delivering the services.
- ISO/IEC 20000-2 provides guidance on the application of service management systems including examples of how to meet the requirements specified in this document. ISO/IEC 20000-10 provides information on all of the parts of the ISO/IEC 20000 series, benefits, misperceptions and other related standards. ISO/IEC 20000-10 lists the terms and definitions

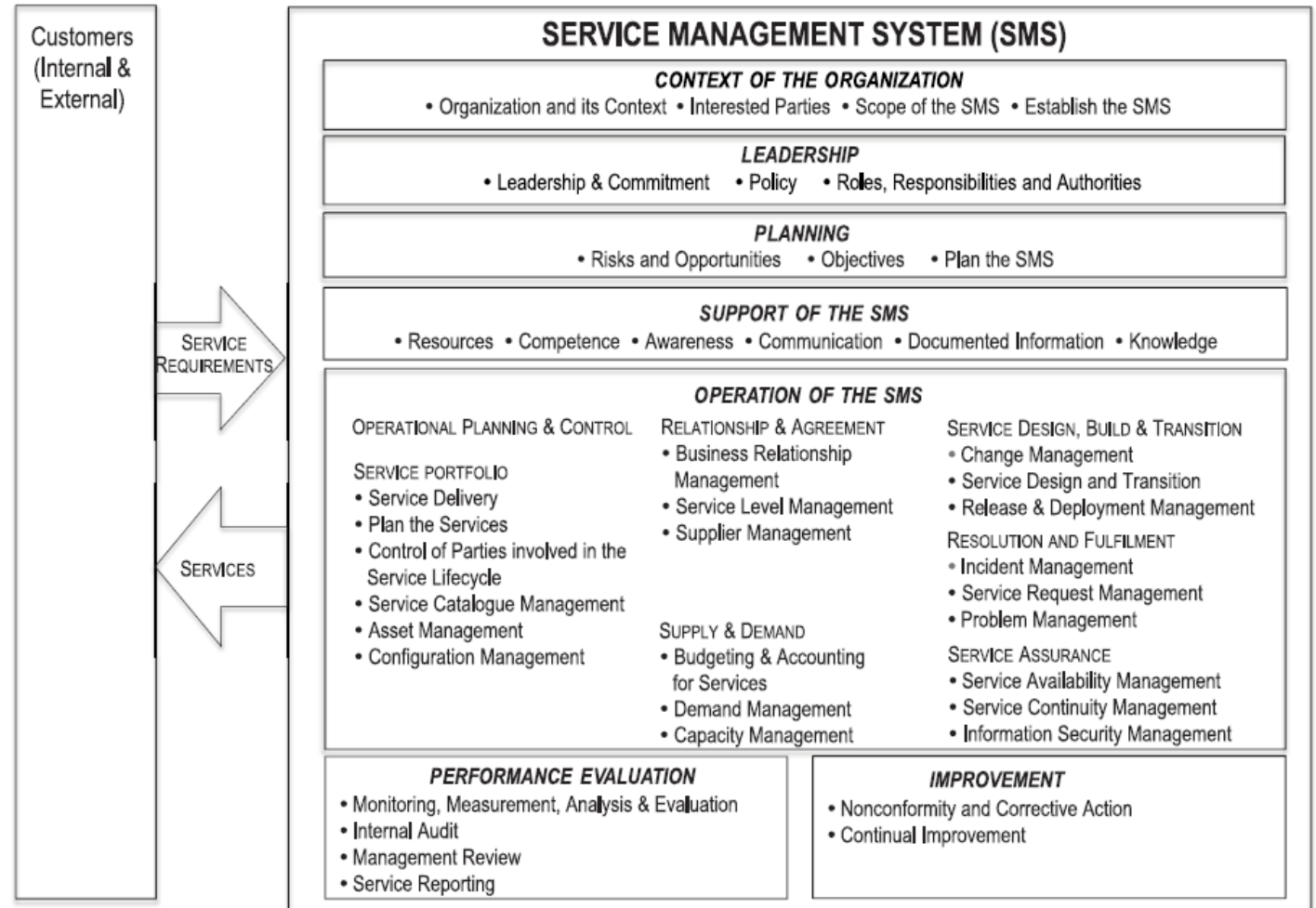


Figure 1 — Service management system