Quality of Service

Josef Spurný

PA181 Services - Systems, Modeling and Execution

How good your service is?

- When there is some service, how good this service is?

Learning Objectives

❑ Recognize the importance of service quality

❑ Describe the five dimensions of service quality

❑ Develop a service measurement survey

❑ Service quality gap identification

❑ Closing the gap to improve service quality
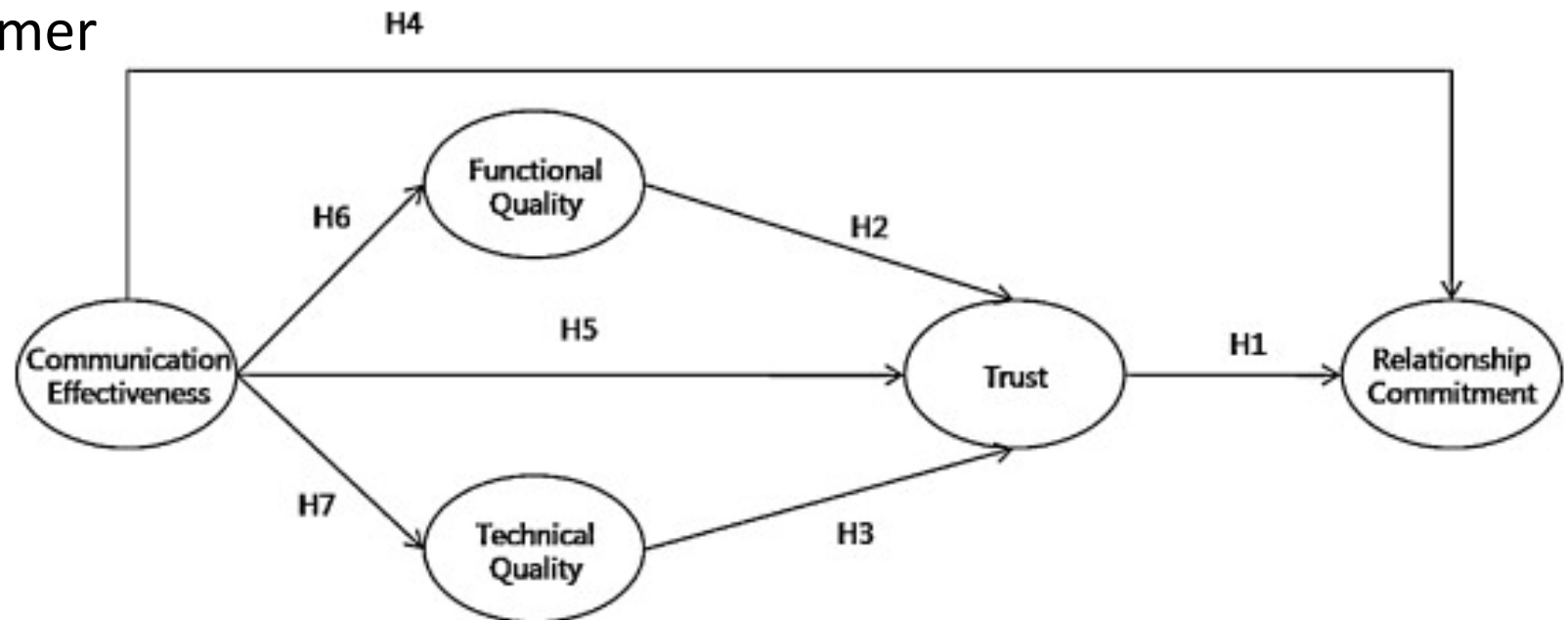
Why is Service Quality Important?

❏ SQ positively correlates with organization's financial performance

❏ Dissatisfied customers are likely to share their experience with more than 3 other people

❏ Six times more people hear about negative service experience than about positive one

❏ Customers' service expectations are constantly rising, while their tolerance for poor service is declining

Why is IT Service Quality Important?

❑ Customers often lack specialized knowledge; therefore, it is not easy for them to assess IT service quality, even after delivery

➡️ communication with a customer is essential! (T-Shaped profile)

❑ IT Service Quality is a mediating factor between communication and buildup of trust with the customer

Comparison in real life

Motorola 8900X-2 | Nokia 2146 | Nokia 3210 | Nokia 6210 | Ericsson T39 | Alcatel OT511 | Samsung E250 | Apple iPhone | BlackBerry Curve 8900 | Samsung Galaxy S2 | Samsung Galaxy S4 | Sony Xperia Z Ultra

Comparison in real life

3rd Party Authority
=
Objective comparison

Own comparison criteria
=
marketing / persuasion

Motorola 8900X-2 Nokia 2146 Nokia 3210 Nokia 6210 Ericsson T39 Alcatel OT511 Samsung E250 Apple iPhone BlackBerry Curve 8900 Samsung Galaxy S2 Samsung Galaxy S4 Sony Xperia Z Ultra
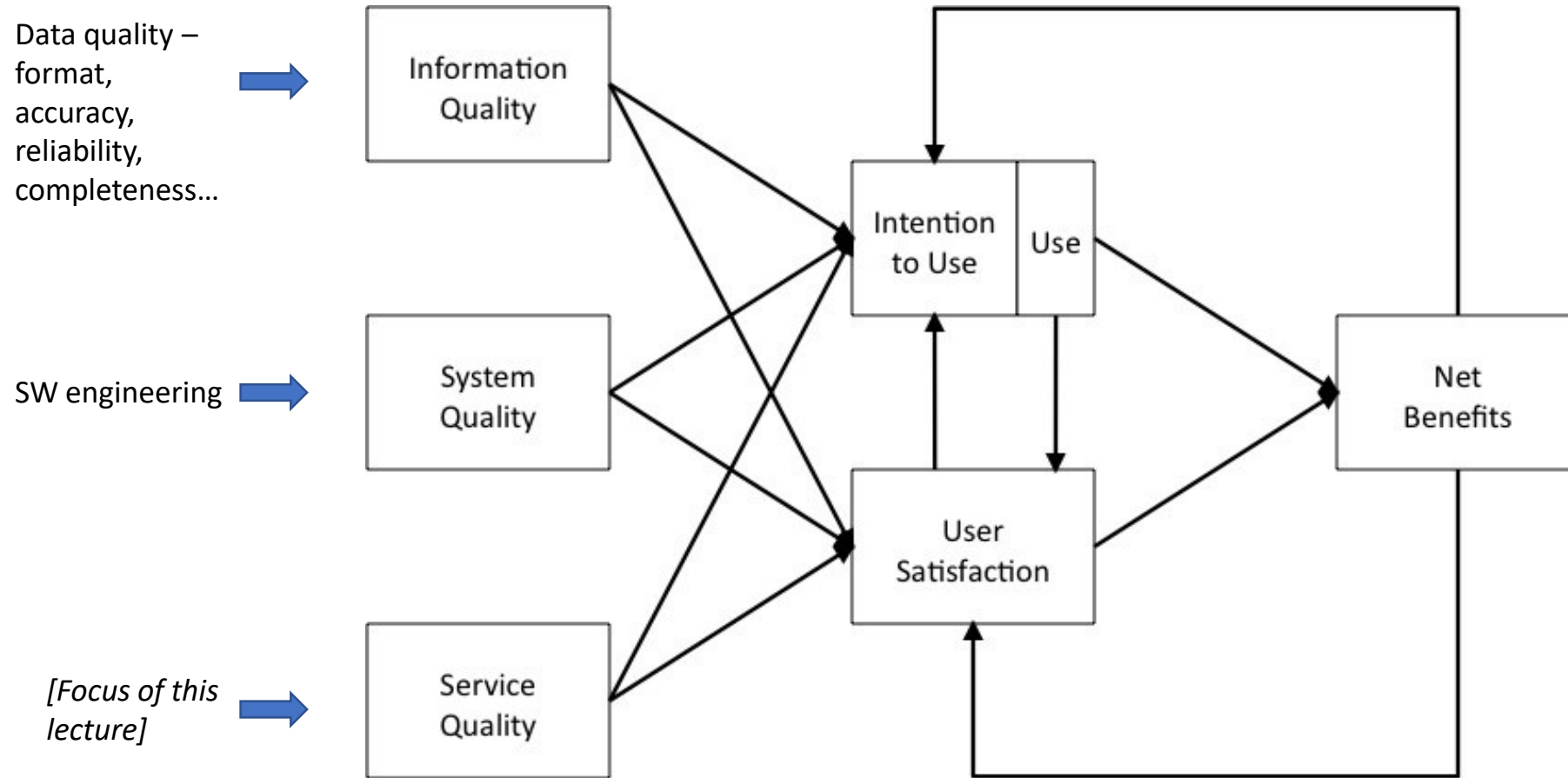
Service Quality or Quality of Service

HIGH QUALITY PRODUCT AND SERVICES

STATUTORY AND REGULATORY REQUIREMENTS

HEALTH & SAFETY OF CONSUMER

PRODUCT QUALITY

TRAINING

RISK ANALYSIS AND MITIGATION PLAN

QUALITY BENCHMARKING

VENDOR MANAGEMENT

QUALITY IN SUPPLY CHAIN PROCESS

Scope of Service Quality

❑ View quality from five perspectives

- Content – are standard procedures being followed?

- Process – is the sequence of events in the service process appropriate?

- Structure – are the physical facilities and organizational design adequate for the service?

- Outcome – what change in the status has the service caused? Is the consumer satisfied?

- Impact – what is the long-term effect of the service on the consumer?

Position of Service Quality

Information Systems Success Theory, DeLone and McLean (2002)

Data quality – format, accuracy, reliability, completeness…

SW engineering

[Focus of this lecture]

Evaluation of Service Quality

- Metrics/Criteria/Dimensions

SERVQUAL: The Five Key Service Dimensions

Dimension	No. of Items in Questionnaire	Definition
Reliability	5	The ability to perform the promised service dependably and accurately
Assurance	5	The knowledge and courtesy of employees and their ability to convey trust and confidence
Tangibles	4	The appearance of physical facilities, equipment, personnel and communication materials
Empathy	5	The provision of caring, individualized attention to customer
Responsiveness	4	The willingness to help customers and to provide prompt service

SERVQUAL Model

Dimensions of Service Quality

❑ *Reliability*:

- Perform promised service dependably and accurately.

- Example: receive mail at same time each day.

❑ *Assurance*:

- Ability to convey trust and confidence.

- Give a feeling that customer's best interest is in your heart

- Example: being polite and showing respect for customer.

Dimensions of Service Quality

❑ *Tangibles*:

- Physical facilities and facilitating goods.

- <u>Example</u>: cleanliness.

❑ *Empathy*:

- Ability to be approachable, caring, understanding and relating with customer needs.

- <u>Example</u>: being a good listener.

❑ *Responsiveness*:

- Willingness to help customers promptly.

- <u>Example</u>: avoid keeping customers waiting for no apparent reason.

- Quick recovery if service failure occurs

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 dimensions	Service attributes
Realibility	The university makes a commitment to provide a service at the scheduled time
	The university keeps students' records accurately (e.g., test scores, student names)
	Relevant and up to date literature and lecture material
	Literatures and lecture materials can be easily understood
	Good and understandable teaching performance
Responsiveness	Important announcement is quickly informed to students (e.g., lectures schedule, exam schedule)
	The university is always ready to help students
	Clear notice about assignments and exams
	Lecturers recommend appropriate text book
	The university provides consultation time for students
Assurance	Lecturers have the required knowledge and education
	Students are equipped with good quality to work
	Availability of career service for graduates
	Safe environment
	Lecturers have the ability to answer questions from students
	Friendly environment and respect each other
Emphaty	Lecturers give relevant and appropriate tasks
	The availability of scholarship for students with good achievement
	Ease of obtaining lecture material
	Ease of administration related with the curriculum (e.g., payments procedure, courses selection)
	The university gives individual attention to each student
	Effective communication between university and students
Tangibles	The university provides the facilities that can be used to develop students' interest and talent (e.g., sport facilities, student activities club, etc.)
	Employees should be well dressed, appear neat, and professional
	The university provides the up to date equipments to support learning process (e.g., lab equipment, learning equipment in class, etc.)
	Clean environment (classroom, toilet, canteen, etc.)
	Library provides up to date learning source (e.g., books, journal, etc.)
	Campus cafeteria sells clean food with affordable price
	The availability of computer and internet access

Likert scale

| Not at all Satisfied | Slightly Satisfied | Neutral | Very Satisfied | Extremely Satisfied |
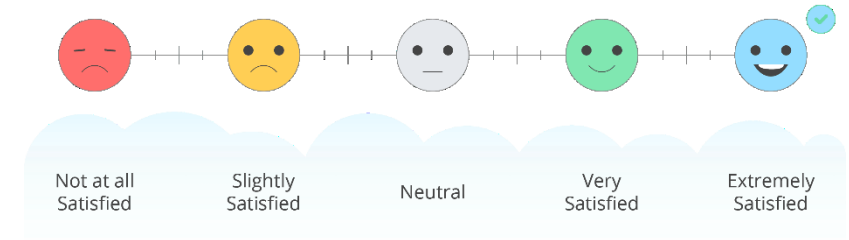
Strong positive	Positive	Neutral	Negative	Strong negative
(1)	(2)	(3)	(4)	(5)

Strongly agree	Agree	More or less agree	Undecided	More or less disagree	Disagree	Strongly disagree
(1)	(2)	(3)	(4)	(5)	(6)	(7)

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RATER – Tool for SERVQUAL

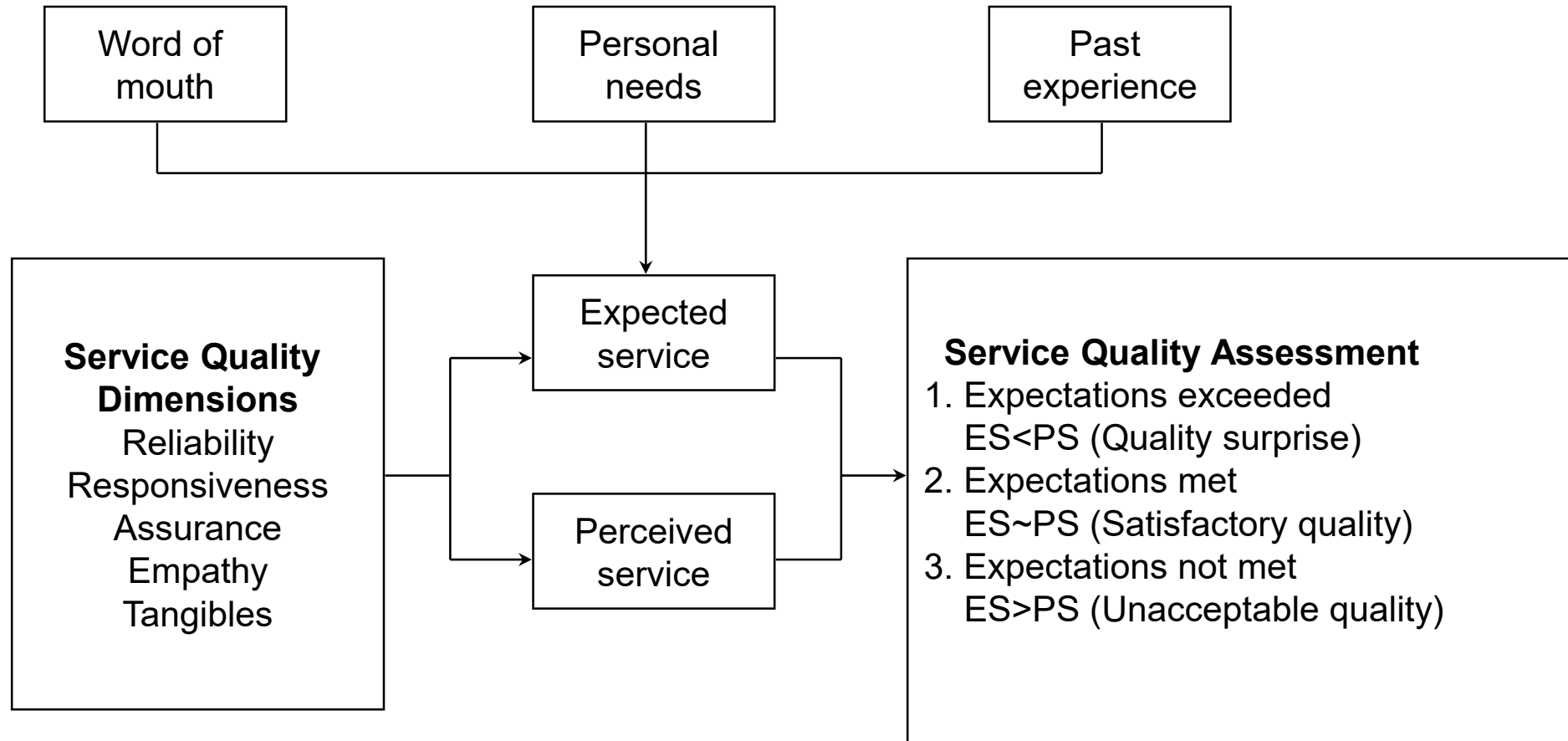**The RATER model allows customer service experiences to be explored and assessed quantitatively**

RATER Model

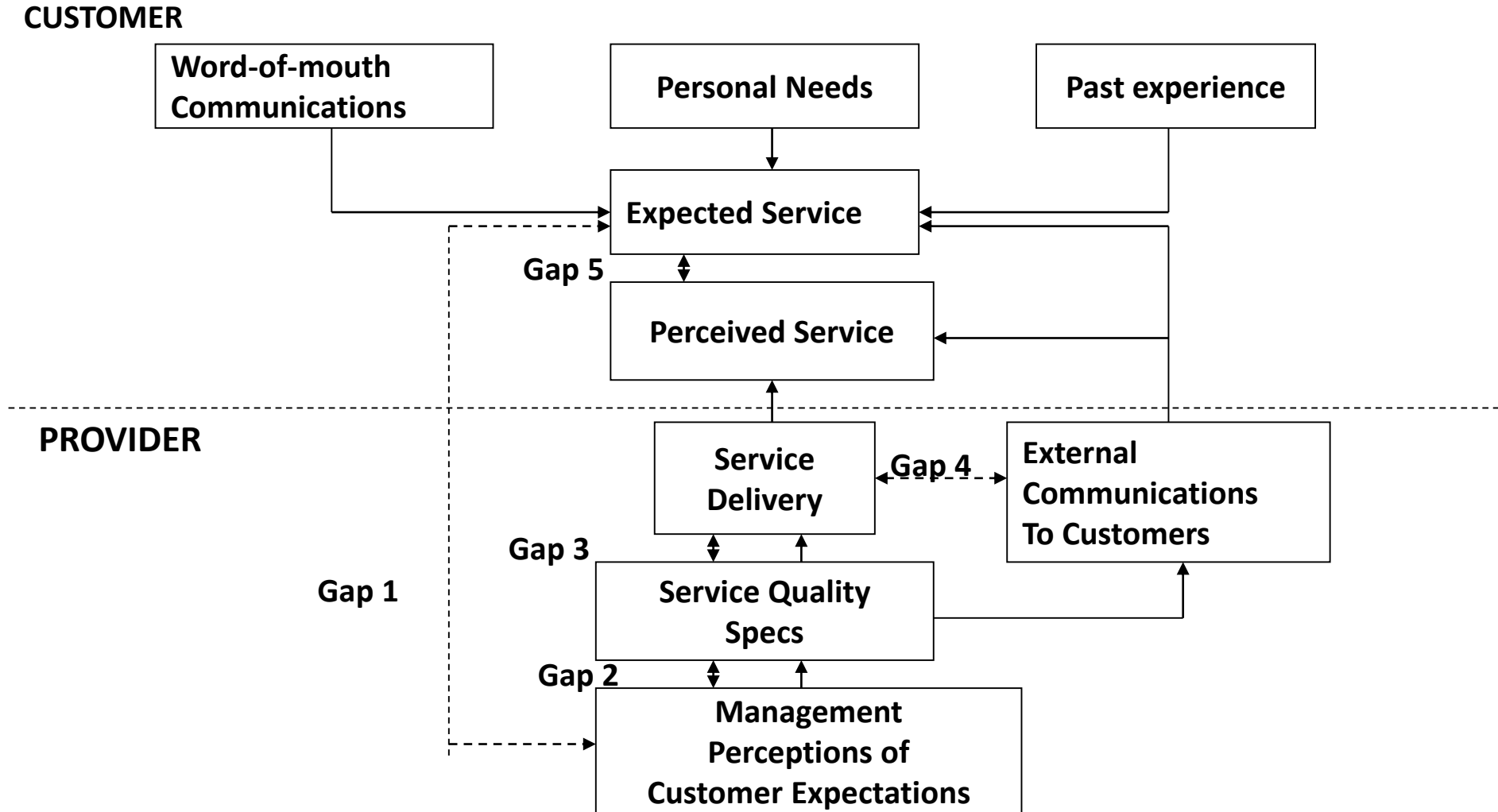| RATER Model	DESCRIPTION
Reliability	• The ability to perform the promised service dependably and accurately
Assurance	• The knowledge and courtesy of employees and their ability to convey trust and confidence
Tangibles	• The appearance of physical facilities, equipment, personnel and communication materials
Empathy	• The provision of caring, individualized attention to customers
Responsiveness	• The willingness to help customers and to provide prompt service

Remarks for Service Quality

❑ We can **assess service quality** from the customer's perspective

❑ We can **track customer expectations** and perceptions over time and the discrepancies between them

❑ We can compare a set of **Servqual scores** against those of competitors or best practice examples

Service Quality Assessment

Word of mouth

Personal needs

Past experience

Service Quality Dimensions
Reliability
Responsiveness
Assurance
Empathy
Tangibles

Expected service

Perceived service

Service Quality Assessment
1. Expectations exceeded
   ES<PS (Quality surprise)
2. Expectations met
   ES~PS (Satisfactory quality)
3. Expectations not met
   ES>PS (Unacceptable quality)

Conceptual Model of Service Quality

What are the Servqual Gaps?

- Gap 1: The difference between management perceptions of what customers expect and what customers really expect

- Gap 2: The difference between management perceptions and service quality specifications - the standards gap

What are the Servqual Gaps?

- Gap 3: The difference between service quality specifications and actual service delivery - are standards consistently met?

- Gap 4: The difference between service delivery and what is communicated externally - are promises made consistently fulfilled?

What are the Servqual Gaps?

Gap 5: The difference between what customers expect of a service and what they actually receive

- expectations are made up of past experience, word-of-mouth and needs/wants of customers

- measurement is on the basis of two sets of statements in groups according to the five key service dimensions

Customer Perceptions

Customer Satisfaction GAP 5

Customer Expectations

Managing the Evidence

Communication GAP 4

Customer / Marketing Research GAP 1

Understanding the Customer

Service Delivery

Management Perceptions of Customer Expectations

Conformance GAP 3

Design GAP 2

Conformance

Service Standards

Service Design

Problems with Gaps in Service Quality

➢Gap1: 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 is 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

Problems with Gaps in Service Quality

➢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

➢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

Problems with Gaps in Service Quality

➢Gap 5: Customer expectations and perceptions gap
  ✓Customer satisfaction depends on minimizing the four gaps that are associated with service delivery

Monitoring Service Quality
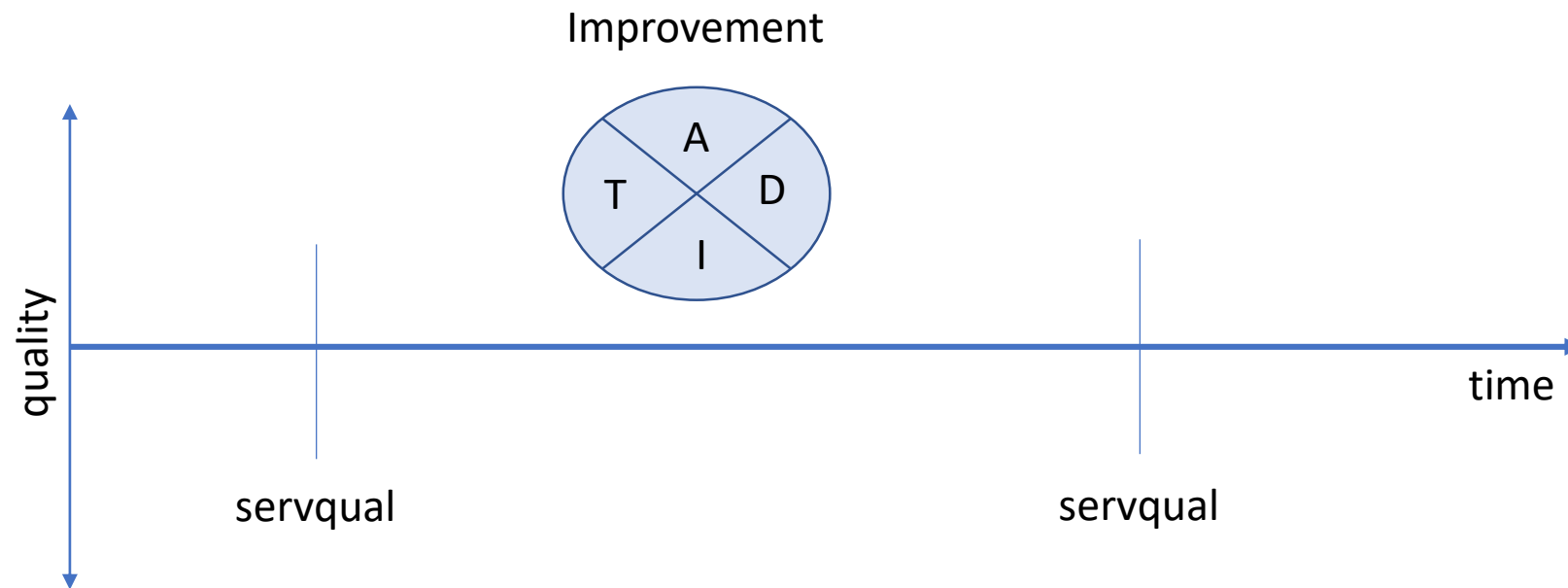
Conclusion

- ✓ Recognize the importance of service quality
- ✓ Describe the five dimensions of service quality
- ✓ Develop a service measurement survey
- ✓ Service quality gap identification
- ✓ Closing the gap to improve service quality