

Customer Perceptions of Service

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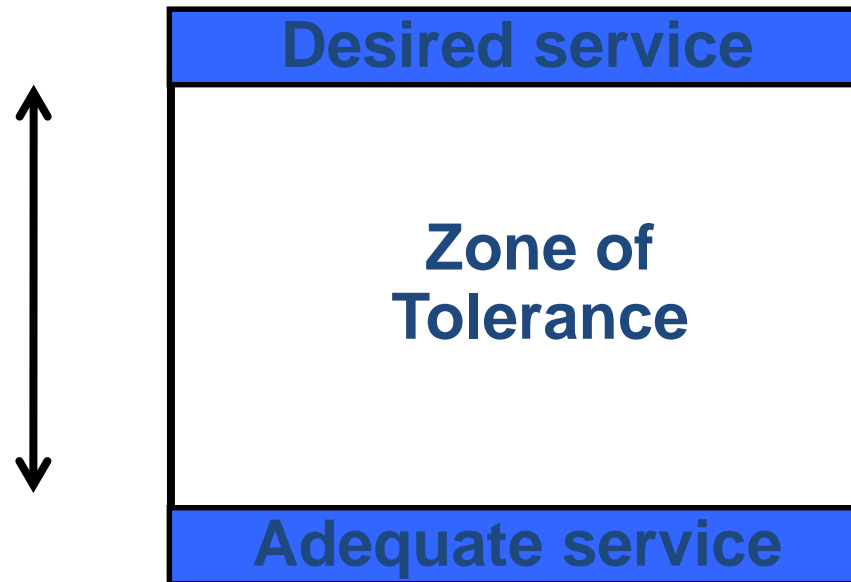
Objectives

- To understand the zone of tolerance
- To understand how customers evaluate service encounters
- To explore the Gaps of Service Quality

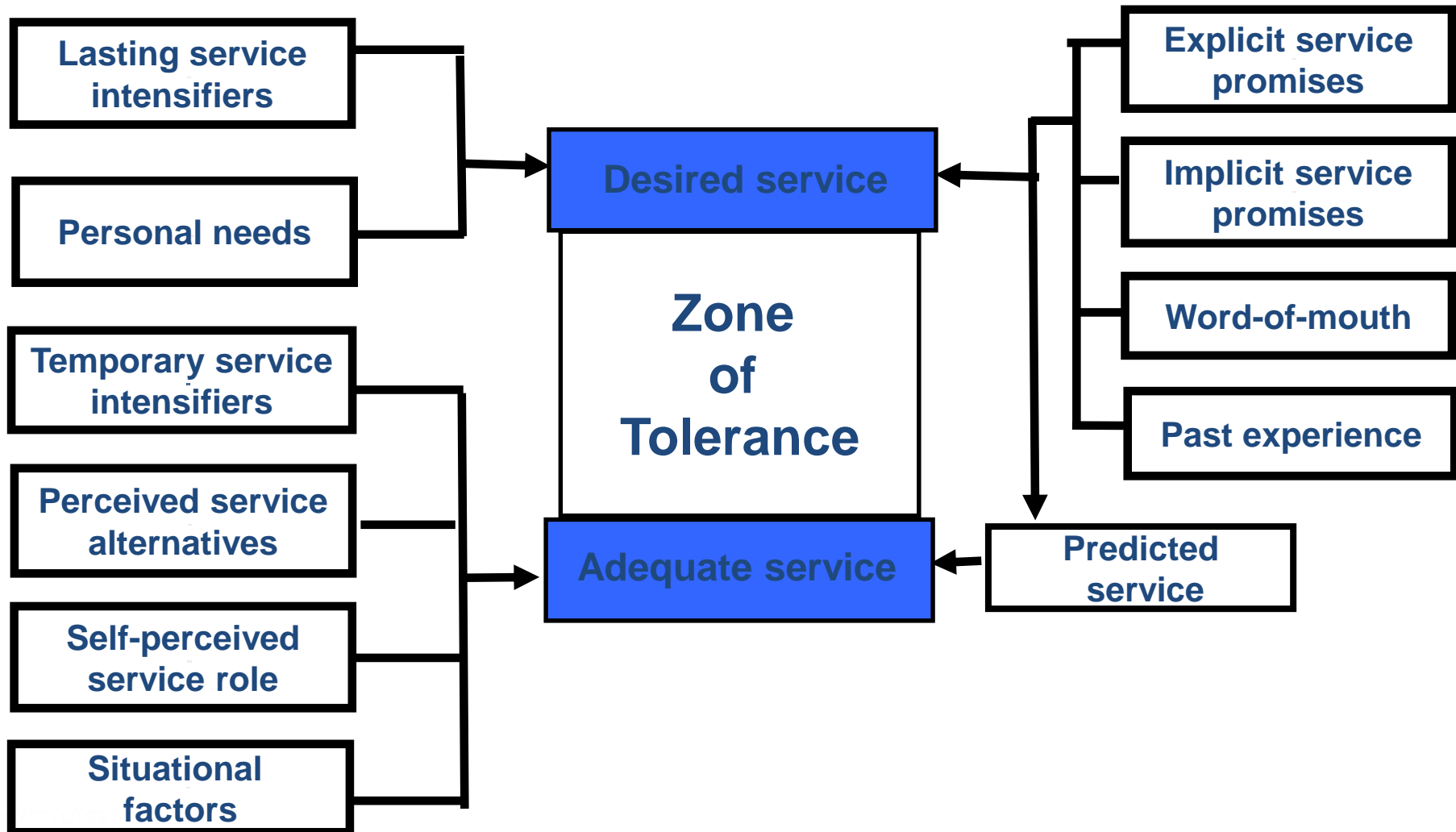
Textbook Reading

- Chapters 3,4 and 5

The Zone of Tolerance



Factors that influence desired and predicted service



Definitions

- **Service quality** - an evaluation of the excellence with which an organisation meets customer requirements and expectations particularly at times when there is interaction between the customer and elements of the organisation.
- **Customer satisfaction** - the outcome of the evaluation a customer makes with regard to an organisation's level of service quality

Definitions

- **Customer Service** - the activities undertaken to implement and operationalise excellent service quality

Organisation



Undertaking Customer Service Activities



Evaluation by Customer



Level of Service Quality

Customer
Satisfaction



Customer
Dissatisfaction



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

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

Tangibles

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

SERVQUAL attributes (continued)

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**

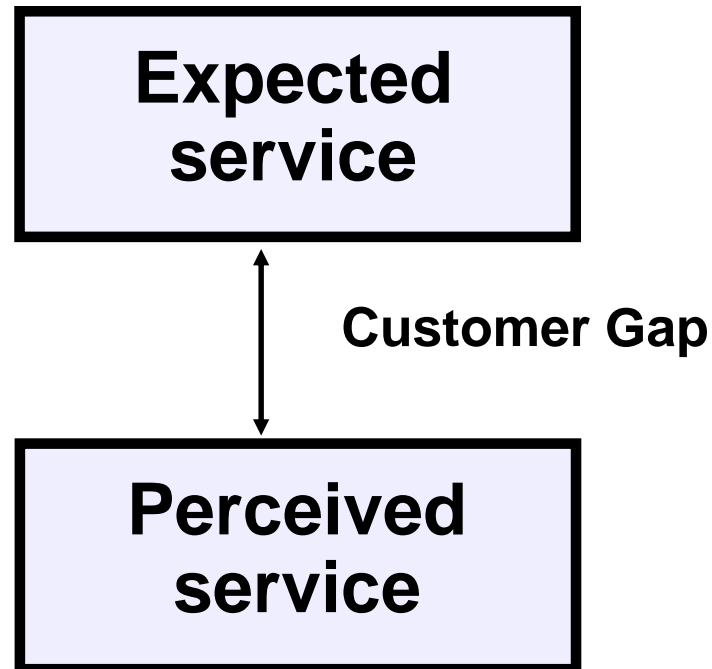
Responsiveness

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

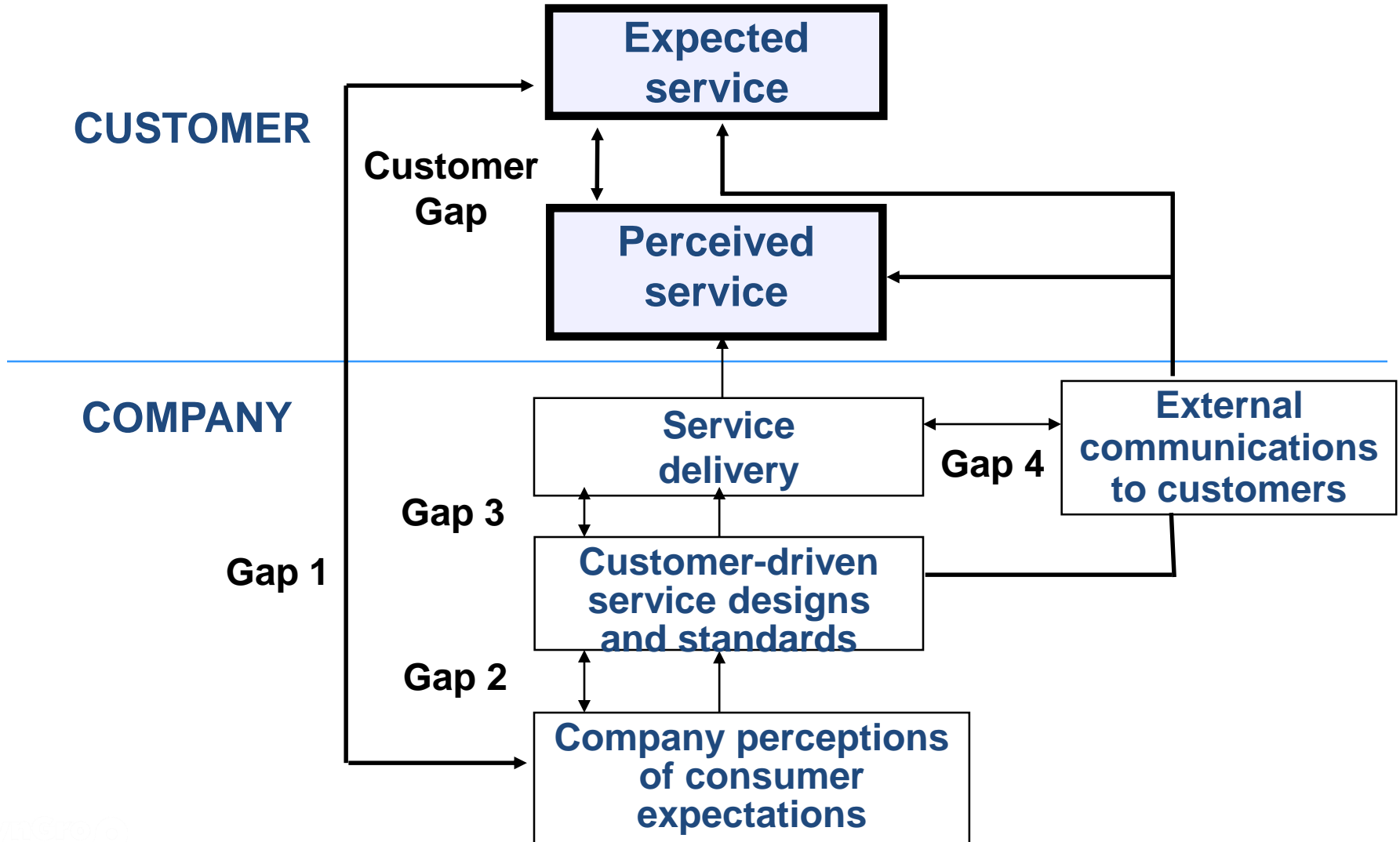
Areas impacting most on satisfaction/ dissatisfaction

<p>Recovery: Employee response to service delivery system failure</p>	<p>Adaptability: Employee response to customer needs and requests</p>
<p>Coping: Employee response to problem customers</p>	<p>Spontaneity: Unprompted and unsolicited employee actions and attitudes</p>

The customer gap



Gaps model of service quality



The Gap between what Consumers Want and what they Get!

- **GAP 1** - Managers do not necessarily know what customers want from the company related to:
 - Inadequate marketing research
 - Upward communication
 - Transaction v relationship focus
 - Inadequate service recovery

The Gap between what Consumers Want and what they Get!



- **GAP 2:** Even if consumer needs are known, appropriate specifications/design may not always be set, related to:
 - No setting of service standards
 - Inappropriate service environment
 - Poor service design process

The Gap between what Consumers Want and what they Get!

- **GAP 3:** The service that is delivered is different from the management's specifications of quality, related to:
 - Deficiencies in human resource policies
 - Customers do not fulfill their roles
 - Problems with service intermediaries
 - Failure to match supply and demand

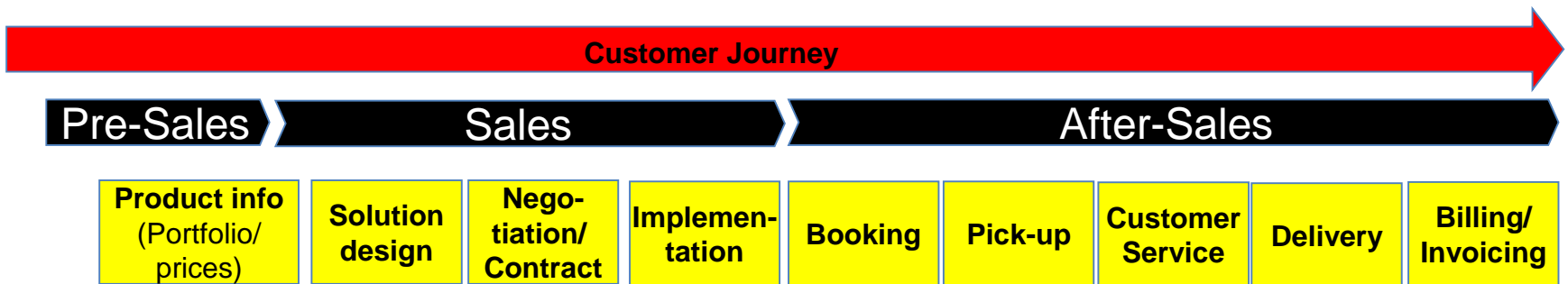
The Gap between what Consumers Want and what they Get!



- **GAP 4:** What is said about the service in external communications is different from the service that is delivered, related to:
 - Poor management of customer expectations – confused messages
 - Propensity to overpromise
 - Poor communication between departments

Engagement revolves around the Customer Journey

Customer



Also Presence in Press, classic media, social media, website, fairs/ events, word of mouth, vehicles on road etc.

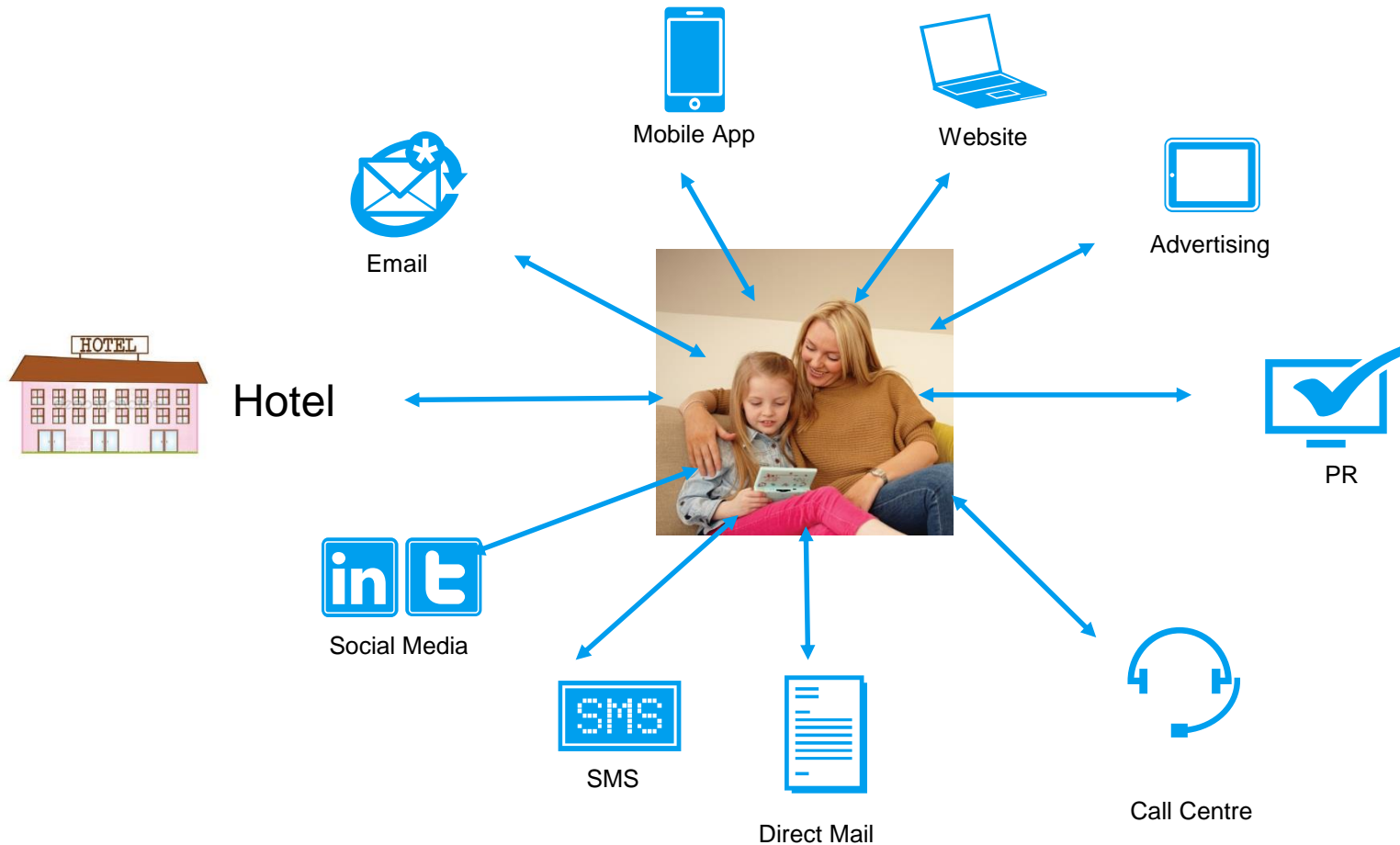
The management of **all** experiences that a client has with a supplier of goods and services over the duration of the relationship with that supplier

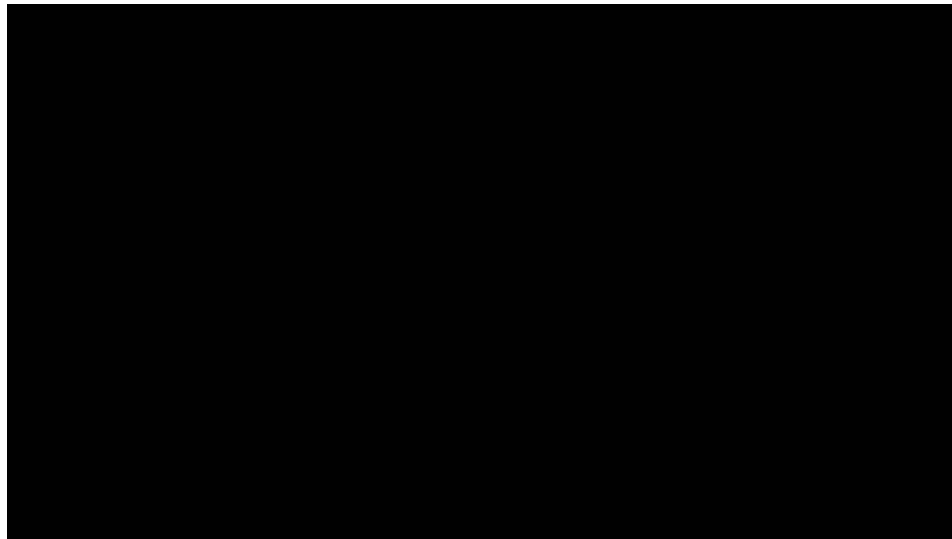
**It is all about consistency
of experience during the
customer journey across all
interactions and all
touchpoints**

Customer Journey for Grocery Shopping

Enter store > **put money in trolley** > get trolley
> take out list > **go to first aisle** > go up and
down aisles > **pick out items** > compare prices >
put items in trolley > get fresh fruit > **bag it** >
go to checkout > **join shortest queue** > wait in
line > **put next customer sign on belt** > put food
on belt > **take trolley to back of check out** >
hand over loyalty card > **load bags** > pay
cashier > **take trolley out to car** > load bags in
car > **park trolley in trolley park**

Today Ingrid expects an integrated experience with a hotel





Research



- **The handling of out of hours reservations**

Segment/Category	Independent	Group	Total
3 star	22	9	31
4 star	79	31	110
5 star	49	34	83
Total	150	74	224

Key Findings

- **Call Handling**

**Number of calls not answered on average was ?
17%**

Calls to 5 star hotels not being picked up 17.3%

Calls to 4 star hotels not being picked up 21.4%

- **Perceived friendliness**

3 star hotels – not friendly or helpful 19%

4 star hotels – not friendly or helpful 13.5%

5 star hotels –not friendly or helpful 19%

Selling skills

- **How well did they sell?**

Agents did not attempt to sell hotel's products

Bookings were for standard rooms, no packages described

Never offered alternative dates

In almost every case the business was not asked for

- **Contact details/phone number asked for 5%**

Call back offered 1.9%

Expectations of IKEA

