

# YESHWANTRAO CHAPHEKAR COLLEGE, PALGHAR

PRESENTATION

ON

**CLASS: T.Y.BMS**

**SUBJECT: SERVICES MARKETING**

**CHAPTER – 6 MANAGING SERVICES QUALITY**

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# SIGNIFICANCE OF SERVICE QUALITY :

## 1. Retaining Reputation :-

- By consistently offering high quality services, service firms builds a reputation in the market and can retain competitive advantage in the market place.

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## 2. Doing the service right at the first time :-

- Getting the desired quality right at the first time cost the service firm much less than providing remedial measures when the services cannot match target customer's required standards.
- If the service provider provides high quality service when a customer visits the first time, the service organisation will be successful in retaining the customer as such service leaves a lasting favourable impression on the customer's mind.

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## 3. Quality service attracts premium price :-

- One can attract premium price for its product if the services are designed qualitatively.
- If the services meets all the expectations of the target customer, he is ready to pay a higher price for the offer.

# **DIMENSIONS TO JUDGE SERVICE QUALITY :**

## **1. Reliability :-**

- The organisation promises to perform the service dependably and accurately. The service is performed right the first time itself and honours its commitments.

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## 2. Tangibles :-

- Tangibles are those factors which the consumer can feel, hear and touch.
- Tangibles are used while assessing the physical qualities and before the service is experienced.
- Eg- You would not like to served by an unclean waiter with dirty uniform and perhaps you would never visit such a restaurant again.

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## 3. Empathy :-

- It means the power of understanding the customer's feeling and needs that enables the server to take care of the customer and provide personal attention.
- It is described as “**human touch**”.

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## 4. Assurance :-

- It means that the knowledge which the provider possesses which enables him to perform the services competently.
- It also includes courtesy aspects such as politeness and respect for customers.



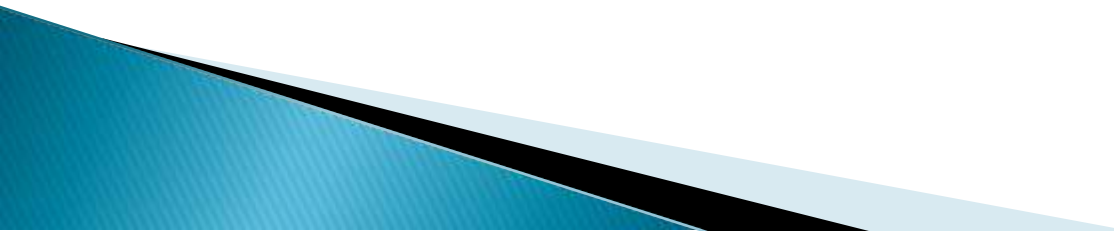
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## 5. Responsiveness :-

- It refers to the willingness to help customers and provide prompt service.
- Responsiveness is an important dimension for those customers who require some extra service over and above that is usually provided.

# WHAT CAUSES GAPS IN SERVICE QUALITY ?

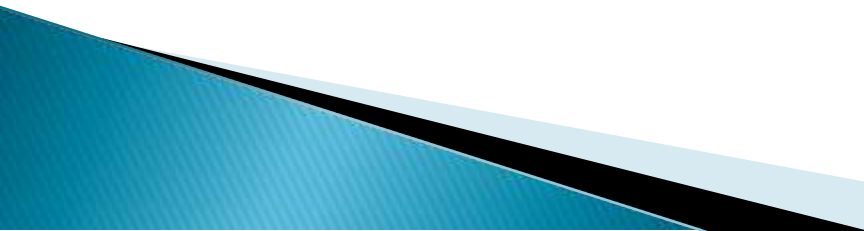
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## **GAP 1: Customer's Expectation (Not knowing what customers expect) :-**

- It is simply not known what the customers expect.
- The intangible nature of service makes it difficult to define customer expectations quantitatively .
- Even the customer sometimes is not articulate enough to explain as to what are his/her specific expectations.
- As a result marketers have to depend upon their own judgement, which sometimes is at a variance with the customer expectations.

## **GAP 2: Management Perception of Customers Expectation (Not selecting the right service design standard) :-**

- The customer expectation need to be translated into appropriate performance standards.
  - Many a time a service firm has a good idea as to what customers expect but fail to develop them into appropriate service specifications.
  - There are many reason responsible for it.
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- Inadequate commitment to quality, lack of inclination to specify quality standards and measure quality.
- Perception of unfeasibility.
- Perception that services cannot be standardised.

## **GAP 3: Service Delivery (Not delivering to service standards) :-**

- This reflects variation of the actual performance from the standard performance.
- It occurs when the employees are unable to or unwilling to perform at desired level.
- Role conflict, poor employee job fit, lack of training, absence of proper motivation system etc may be the reasons for it.

## **GAP 4: External Marketing Communication (Not matching performance to promise) :-**

- A service company's external communication efforts i.e. advertising, publicity, personal selling and PR may over-promise and that logically results into this gap to occur.
- The marketers find it very hard to make big promises.
- Otherwise they know that if they don't make tall promises their appeal to the customers won't be that exciting and the entire promotion exercise may be reduced to any.

## **GAP 5: Actual Service Performance (The customer gap)**

- This Gap occurs when the customers perception of delivered service is at variance with the expected service.
- The customers experience of the service is conflict upon many factors and sometimes the service may need customers expectations and yet perceived otherwise.
- The key to providing good service quality is meeting and exceeding customers expectations.
- This gap is the end result of earlier four gaps.



# **BENEFITS OF SERVICE QUALITY :**

- Improve their image in the eyes of customers.
- Improves profitability.
- Improve staff morale.
- Increase productivity.
- Reduce cost.

## CONTINUED...

- Encourage employee participation.
- Brings about continuous improvement.
- Minimise price sensitivities.
- Increase customer satisfaction.
- Differentiate themselves from the competitors.

# PRESCRIPTIONS FOR CLOSING SERVICE GAPS

## Gap 1 Prescription : (Learn what customer expects )

- Get a better understanding of customer expectation through research, complaint analysis, consumer panel, etc.
- Increase direct interactions between managers and customers to improve understanding.
- Improve upward communication from contact personnel to management and reduce the number of levels between the two.
- Turn information and insights into action.

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### **Gap 2 Prescription : (Establish the Right Quality Standards)**

- Ensure that the top management displays ongoing commitments to quality as defined from the customer's point.
- Get middle management to set, communicate and reinforce customer-oriented service standard for their works unit.
- Train managers in skills needed to lead employees to deliver quality service.

## CONTINUED...

- Become receptive to new ways of doing business that overcome barriers to delivering quality service.
- Standardise repetitive work to ensure consistency and reliability by substituting hard technology for human contact and improving work method.
- Establish clear service quality goals that are realistic to meet customer expectations.

## CONTINUED...

- Clarify to employees which job tasks have the biggest impact on quality and should receive the highest priority.
- Ensures the employees understand and accept goals and priorities.
- Measure performance and provide regular feedback.
- Reward managers and employers for attaining quality goals.

## CONTINUED...

### **Gap 3 Prescription :** (Ensure that performance meets standards)

- Clarify employer's role.
- Ensure that all employees understand how their jobs contribute to consumer satisfaction.
- Match employees to job.
- Provide employees with technical training needed to perform each job well.

## CONTINUED...

- Develop innovative recruitment and retention methods to attract the best people and build loyalty.
- Enhance employee performance by selecting the most appropriate and reliable technology and equipment.
- Teach employees about customers expectation, perceptions and problems.



## CONTINUED...

- Eliminate role conflicts among employees by involving them in the process of setting standards.
- Train employees in inter-personal skills, especially for dealing with customers under stressful conditions.

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## CONTINUED...

### **Gap 4 Prescription : (Ensure that delivery matches promises)**

- Seeks inputs from operation personnel when new advertising programs are being created.
- Allow service providers to preview advertisements before customers are exposed to them.
- Get sales staff to involve operators staff in face-to face meetings with customers.

## CONTINUED...

- Manage customers expectation by letting them know what is and is not possible and the reason why?
- Clarify and explain uncontrollable reason for shortcoming in service performance.
- Offers customers different levels of service at different prices explaining the difference between these levels.

# SERVQUAL MODEL :

- The SERVQUAL method from Valarie A. Zeithaml, A. Parasuraman and Leonard L. Berry is a technique that can be used for performing a gap analysis of an organization's service quality performance against customer service quality needs.
- SERVQUAL is a method that may be used by a service organization to improve service quality.
- The method involves the development of an understanding of the perceived service needs of target customers.

## CONTINUED...

- These measured perceptions of service quality for the organisation in question, are then compared against an organisation that is “excellent”.
- The resulting gap analysis may then be used as a driver for service quality improvement.
- SERVQUAL takes into account the perceptions of customers.

## CONTINUED...

- The organisation use its resources to improve the most critical service attributes.
- The data are collected via survey of a sample of customers.
- In these survey, these customer respond to a series of questions based around a number of key service dimensions.

# 5 KEY DIMENSIONS :

## 1. Tangibles :

- Appearance of physical facilities, equipment, personnel and communication materials.

## 2. Reliability :

- Ability to perform the promised service dependably and accurately.

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# CONTINUED...

## 3. Responsiveness :

- Willingness to help customers and provide prompt service.

## 4. Assurance :

- Knowledge and courtesy of employees and their ability to convey trust and confidence.

## 5. Empathy :

- The firm provides care and individualized attention to its customers.



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## 6. Courtesy :

- Politeness, respect and friendliness.

## 7. Credibility :

- Trustworthiness, believability, honesty of the service provider.

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# CONTINUED...

## 8. Feel secure :

- Freedom from danger, risk or doubt.

## 9. Access :

- Approachable and easy of contact.

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# USAGE OF SERVQUAL APPLICATIONS :

- **SERVQUAL** is widely used within service industries to understand the perceptions of target customers regarding their service needs and to provide a measurement of the service quality of the organization.
- **SERVQUAL** may also be applied internally to understand employee with the objective of achieving service improvement .

# ASSUMPTIONS OF SERVQUAL CONDITIONS :

- The results of market surveys are accurate.
- The validity of the model is based around the results of empirical studies.
- A number of academics have since performed further empirical studies that appear to contradict some of the original findings.
- Customer needs can be documented and captured, and they remain stable during the whole process.

# STRENGTHS OF SERVQUAL :

- Customer perceptions of the service ( a benchmark established by your own customers).
- Performance levels as perceived by customers.
- Customer comments and suggestions.
- Impressions from employees with respect to customers expectations and satisfaction.

# LIMITATIONS OF SERVQUAL :

- There have been a number of studies that doubt the validity of the 5 dimensions and of the uniform applicability of the method for all service sectors.
- Difficulties in score calculating.

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# **Improving Service Quality in Banking Services using SERVQUAL Model :**

## **Tangibles :**

### **Excellent banks will have :**

- Modern equipment
- Visually appealing physical facilities
- Neat, well dressed employees
- Visually appealing materials are associated with the service (brochures)

# CONTINUED...

## Reliability :

### Excellent banks will have :

- Carry out what they promise to do.
- Show sincere interest in solving problems.
- Perform well right from the first time.
- Insist on error free records.



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## **Responsiveness :**

### **Employees of excellent banks will :**

- Tell customers exactly when the service will be performed.
- Give prompt service to customers.
- Always be willing to help customers.
- Have the knowledge to answer customer questions.

# CONTINUED...

**Assurance :**

**Employees of excellent banks will :**

- Instill confidence in customers.
- Be consistently courteous to customers.
- Have the answer to customers questions.
- Ensure safety in transactions with customers.

# CONTINUED...

**Empathy :**

**Excellent banks will :**

- Give individual attention to customers.
- Have convenient operating hours for all their customers.
- Understand the specific needs of their customers.

The image features a large, irregular splash of teal watercolor paint centered on a white background. The splash has a soft, textured appearance with varying shades of blue and green. In the center of this splash, the words "Thank You" are written in a dark teal, cursive script font. The text is slightly shadowed, giving it a three-dimensional effect as if it's floating within or attached to the paint. At the bottom left corner of the image, there is a decorative graphic element consisting of a dark teal triangle pointing upwards, a black diagonal line, and a light blue triangle pointing downwards, creating a layered, geometric look.

*Thank You*