Service Quality Research/3

Qualitative Research Into Service Quality

By Chuck Chakrapani

Qualitative research is an extremely useful tool in understanding service quality. However, run-of-the-mill qualitative research can be as misleading as run-of-the-mill quantitative research. Why is this so?

When Standard Qualitative Research is Useful

Qualitative research is particularly useful in three contexts:

1. when follow-up questions cannot be decided in advance, as in a questionnaire;
2. when the motives for a purchase are too complex, too sensitive or too latent to be elicited through standard quantitative research; and
3. when not enough is known about a field of inquiry to construct a standard questionnaire.

When Qualitative Research Can Mislead

When one or more of these criteria are not met, qualitative research is more likely to mislead than enlighten. Consider a situation in which the motives of customers are straightforward and clear-cut. In such cases, the focus group, in a sense, almost becomes a small scale quantitative study. How many of us have heard a comment like the following from focus group observers: “What is important to customers is getting their statements on time. Six people mentioned that in this group alone!”

When no special insights emerge, it is easy to slip into a mode in which the strength of an attribute is determined by the frequency with which it is mentioned. Yet the frequency is a function of the group itself.

The problem is further exacerbated by having several observers watching the group. As qualitative researcher David Kwechansky points out, “Experience has shown that the more observers there are, the more they interact among themselves and the less attentive they are to the job of observing. Generally, more than five observers can become problematic.” Now the qualitative researcher not only has to do his or her job well, but should also *appear* to do his or her job well. This is generally true of all focus groups. But groups in which no new insights are gained are particularly vulnerable to misinterpretation.

A sizable proportion of service quality focus groups fall into this category - there is nothing mysterious about what customers want. They are the same things they told us in other focus groups six months ago (in some cases, six years ago). It is the same thing that they have been telling us in every piece of quantitative research as well.

I am not suggesting that we do not do any qualitative research. Quite the contrary. The point is that standard qualitative research will help us understand service quality needs of customers only in a limited way. We need qualitative research, but with modifications.

When to Use Different Approaches

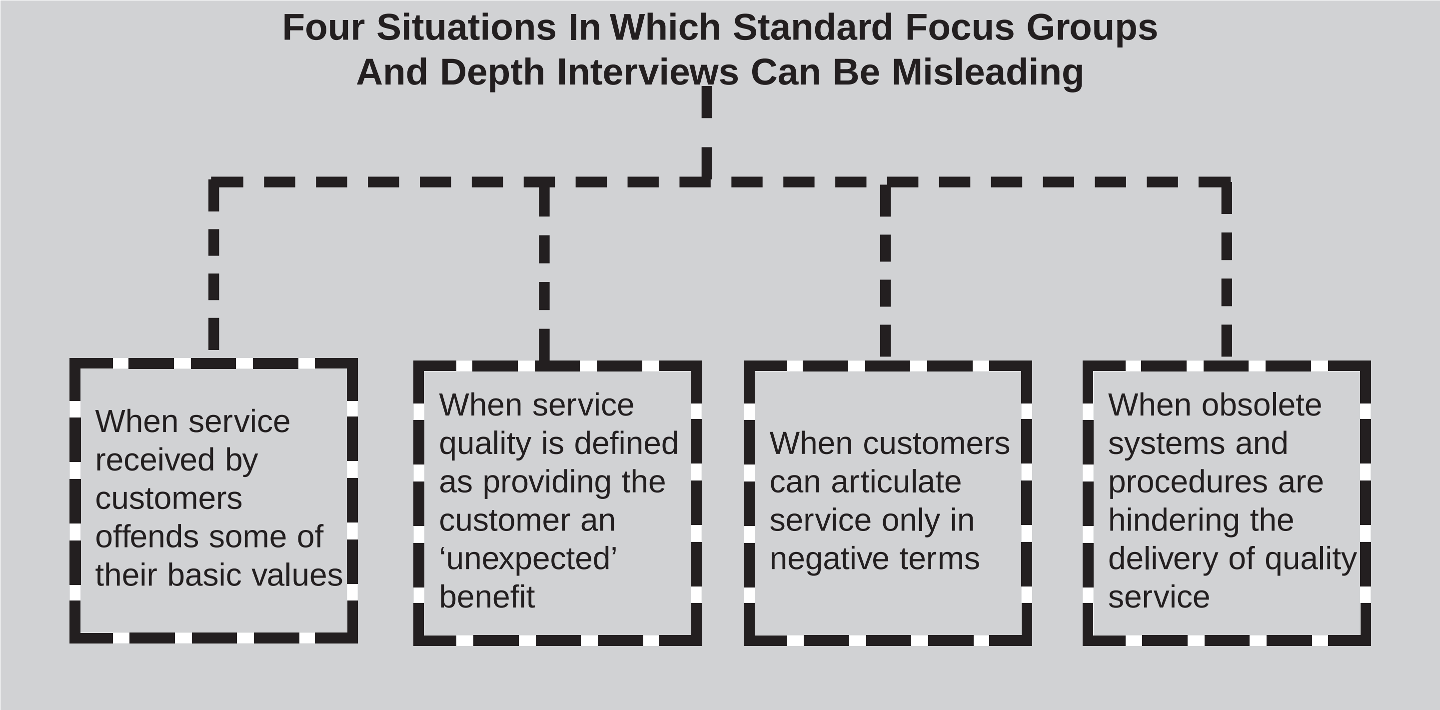
There are some types of qualitative research that are particularly well-suited to elicit what is important to customers. There are at least four basic situations I can think of which call for different approaches:

1. *Poor service quality is a fundamental offence to the values held dear by the customer.*
What do we know about these situations? Do we know how a service organization can offend a customer even though the institution is 'right' and the customer has signed a contract accepting the institution's terms?

2. *Service quality means offering unexpected benefits*:
Many institutions define service quality as a process that offers benefits to customers that they are not expecting. How do we find out what customers are *not* expecting?

3. *Service quality is seen as the process of eliminating the obstacles to delivering what the customer wants*:
Systems and procedures already in place can inhibit service quality. Yet systems and procedures are there for a reason. The underlying reasons for these systems and procedures may no longer be valid. How do we identify opportunities and eliminate these obstacles?

4. *When customers are unable to express what they want, but can tell us what is bothering them, how do we figure out what is bothering them?*
Are regular focus groups suitable for the above situations? I have seen - not once but several times - focus groups being carried out in all of the above situations. I suggest that standard focus groups in such situations are at best unproductive and at worst misleading.



1. Understanding the Meaning
Suppose your average bank balance over a period of several years is $10,000. Then one day you write a cheque which is $1 more than the amount you have in the bank and the bank dishonours the cheque. What will your reaction be?

The bank may say that you, in fact, did not have the money and that you had signed a contract stating the the bank has the right to dishonour your cheque when you do not have sufficient funds in your account, the bank has the right to dishonour your cheque. The bank has acted within its rights. If you are like most people, however, you will be offended by the bank's action. You probably would have said, “They could have at least called me”. Most customers in such situations are likely to feel humiliated and upset.

Why? Because service interactions *mean* more to customers than the transactions themselves imply. If a cheque has been rejected, ti could mean any of the following to the customer:

- *You are not good for the money*
- *You are not important enough to be called before the cheque is rejected.*
- *If you cannot manage your financial affairs, it’s your problem.*
- *You broke the rules. You take the consequences.*

Thus a rejected cheque is not just a rejected cheque. It could be a challenge to one’s self-esteem, a threat to a sense of belonging that a customer may have had with the bank, or a challenge to the customer’s self-worth. The apparent values that are offended are the *means values* and the ultimate values that are offended are the *ends values*.

In service research it is important to understand the ends values. These ends values show how to change service quality *organically* rather than by trying to improve each service separately. We need to understand “more personal reasons why important attributes are important” (Reynolds, Cockle and Rochon, CJMR, 1990).

The technique that is particularly suited for eliciting the ends values is called *laddering*.

Laddering is based on means-end theory (Gutman 1982). The attributes of a product or service are not ends in themselves. Rather, a product or service provides the means and attributes exist in products. The question is what are the ends that a consumer is seeking to achieve through these attributes. In other words, one should not settle for the first reason given when the customer talks about service; laddering tries to explore the underlying motives or the ends.

The description of the technique given below is necessarily brief. (There are several articles written by Gutman and Reynolds that describes this technique. Also see *The Strategic Implications of Advertising: Implications of Means-End Theory and Research Findings* by Thomas Reynolds, Brian Cockle and John Rochon, Canadian Journal of Marketing Research, Volume 8, 1990).

In laddering techniques, the respondent is probed until he or she comes up with the ends value. Such probing leads the participant from surface attitudes to consequences to end values (called A-C-V model). The moderator probes the respondent until ends values are arrived at.

I like this bank’s service
(A - Attitude)

What do you like about the service?
The teller knows me by name
(C - Consequence)

What is important about that?
It makes me feel that I am known to the bank.
(C - Consequence)

Why is that important?
It makes me feel important.
(C - Consequence)

So...?
I feel that I am treated with respect and feel good about myself.
(V - Value)

In the above example, the interviewer has led the participants from an attitude to various consequences to an end value (self-esteem). In actual practice there can be several layers of consequences before one can reach the end values.

The data collected are analysed using several techniques. Standard analysis results in visual display of results such as tables and charts.

Step 1: Content analysis. This involves going through the interview transcripts and identifying attributes, values and consequences. Here is an example:

Values
20. Success
21. Respect
22. Belonging
23. Self Esteem

Consequences
8. Matches my needs
9. Good advice
10. Cheerful
11. Efficient
12. Avoid problems
13. Courteous
14. Brief waiting
15. Waiting less unpleasant
16. Easy to deal with
17. Do not have to rush
18. Impress others
19. Socialize

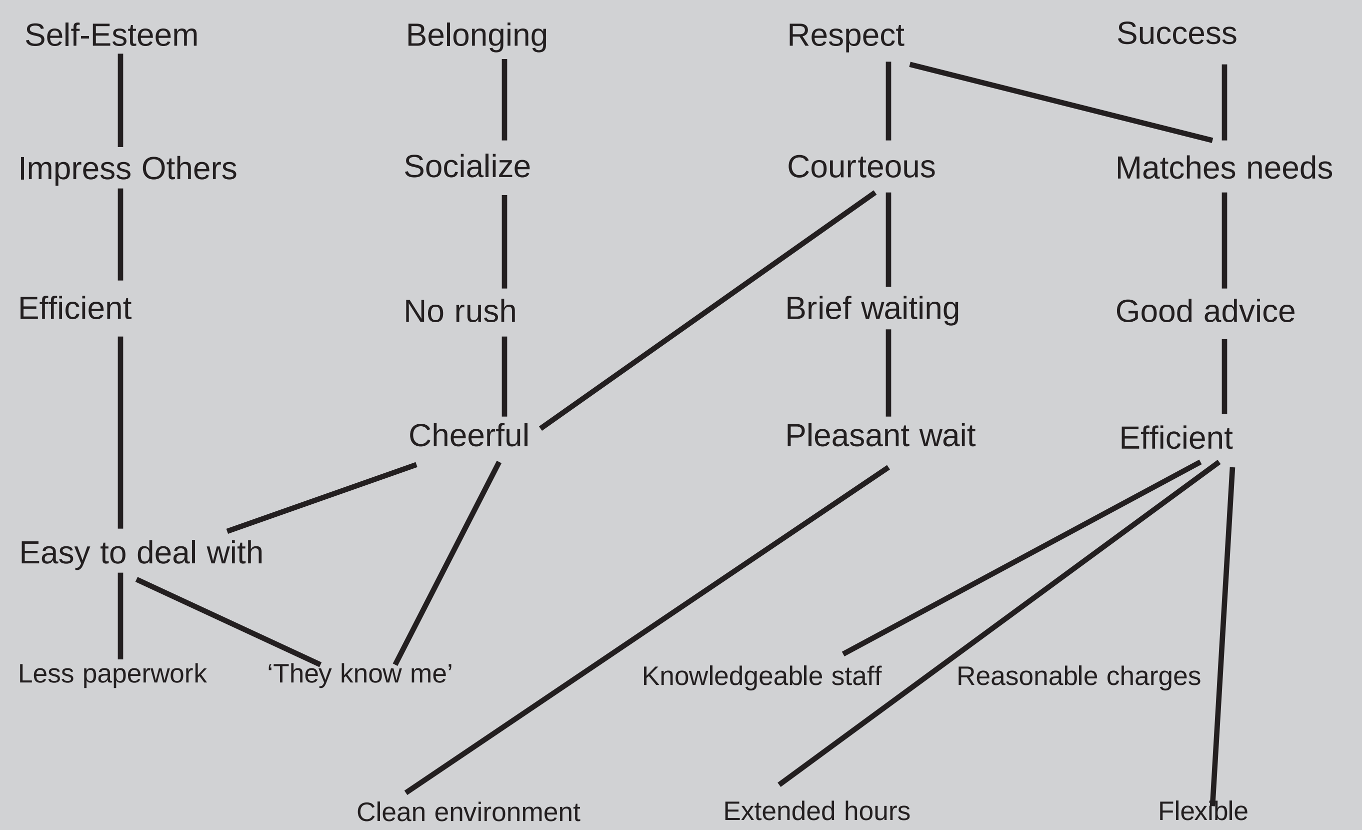
Attributes
1. Less paperwork
2. They know me'
3. Knowledgeable staff
4. Reasonable charges
5. Clean environment
6. Extended hours
7. Flexible.

Step 2. Constructing the implications matrix. In this step, the analyst constructs a matrix that shows how frequently each construct (be it an attribute, consequence or value) is associated with every other construct. (This looks like a correlation matrix.) This matrix shows how each element leads to every other element. When the relationships are to adjacent elements they are called direct relationships: when the relationships are to non-adjacent elements they are called indirect relationships. Both relationships are represented in this matrix.

Step 3. Constructing the hierarchical value map. This is a visual representation of the implications matrix. It is a typical hierarchical map that shows how attributes, consequences and values are related.

Step 4. Determining the dominant perceptual orientations. In this step, the analyst tries to understand the pathways that lead to the top from the bottom (see hierarchical map). A formal numeric table that explains the dominant perceptual orientations can be created at this stage.

Hierarchical Value Map (Hypothetical)



These dominant perceptual orientations provide a basis for the marketer to tackle service quality needs of customers. For instance, every aspect of current and proposed service can be assessed in terms of ends values.This tells us how a service - either by itself or by the manner in which it is delivered - fulfills the ends needs and to what extent.

Such understanding of customers serves two purposes.

First, it provides an overall framework for evaluating customer service. For instance, if we know that a bounced cheque threatens a long term client's self-esteem, a bank may think of ways to prevent such a situation from arising, as a part of its service strategy.

Second, it provides a broader basis for understanding and fulfilling customer needs. In other words, instead of asking what services the bank can provide to the customer, the marketer might ask "Among the several services we can offer, which one will cater to our customers' self-esteem (or any other end value)"

While the laddering technique may not solve all service quality research problems, it definitely provides a basis for evaluating the current status of service quality and a framework for improving service quality. It also provides a foundation for offering other services that are likely to be successful because they are in line with customer needs.

2. Delivering the Unexpected

The second problem is that of identifying needs that customers themselves are not aware of. Standard focus groups are not structured to find out what customers are *not* expecting. In most focus groups, the initial part of the discussion is used to set the stage and create rapport. Such discussion involves the quality of service, what is it that customers currently get and appreciate and what they would ideally like in the future. Unfortunately, this approach basically limits what the participants will identify as their 'wish list'. As we discussed in the last article, perception of what would be good to have is often limited by what is perceived to be 'reasonable'. Thus a customer will not talk about 'longer hours' if they perceive that it is not 'reasonable' for them to expect the banks to offer longer hours.

This problem is easily solved by simply alerting the structure of the focus group. The whole discussion can revolve around the basic question: 'If there are no limitations, if you could have whatever you want, if everything is possible, what would you expect from your (bank/trust company etc.)?" By not having any other objective, by not giving any other framework to the respondents that may indirectly limit what might be possible, we increase the chances of eliciting benefits that customers would not mention normally - even in a standard focus group. (Some researchers may feel that this distinction is a minor variation of the standard focus group technique. It is my observation that the results we get using this approach are considerably different from the ones we get using standard focus groups.)

A typical group that is based on the 'wish list' approach typically produces between 200 and 500 benefits. Participants usually start with 'reasonable' benefits. However, as the moderator starts writing these benefits on flip charts, participants come up with more and more outrageous benefits. Many of them cannot be implemented. However, such discussions tend to produce some good ideas which can be further tested by standard focus group techniques or quantitative research.

There are at least three reasons why these 'wish list' groups work.

1. Absence of other objectives and related discussion focuses the respondents' attention firmly on the benefits - real and imaginary.

2. The process that concentrates on quantity discourages the participants from embellishing their choices with 'reasonable' explanations.

3. The process of writing their responses on flip charts without comment or criticism - either from the moderator or from the other members of the group - encourages the participants to come up with new ideas. Participants are not likely to come up with these ideas in standard focus group situations in which the moderator or other participants can potentially comment favourably or unfavourably on the ideas generated.

Many focus groups incorporate the process of ‘wish lists’ in the discussion. However, for the reasons mentioned above, it is better to use focus groups exclusively devoted to the ‘wish list’ idea.

By now we know how to understand what the customers really want and how to identify their latent needs. We will discuss the remaining two problems in the next issue of *Imprints*.