

Service Quality Research/6

Service Quality Measurement And the Myth of Service

By Chuck Chakrapani

Measuring a Myth

A recent article in Canadian magazine was entitled *The Myth of Service*. A large number of organizations claim to offer 'quality service', 'service excellence' or some variation of the theme. But few organizations really succeed in being what they claim to be.

Quality as an 'Add-on'

many organizations seem to treat service quality as an add-on - something that an organization can provide to its customers as long as it is profitable to do so and can be safely withdrawn if the projected profits do not materialize. Other organizations treat it as something that is reserved for its more profitable customers.

Yet an analysis of any organization that delivers quality - from MacDonalds to IBM - does so consistently, in good times and in bad times, to their large customers and to their not-so-large customers. They don't treat quality as an add-on; it is a part of the product, it is part of the service. Quality is not treated as a special feature of service but as an integral part of it. As Jim Clemmer puts it "Service quality is a journey, not a destination."

The Unitary Nature of Quality

Organizations that offer quality service on a selective basis and organizations that offer quality service with specific bottom line targets seldom succeed in delivering excellence in service quality. Research shows that service quality is a unitary factor. Qualified quality is not quality.

Service Quality Measurements

Statistical grouping (such as correlation analysis, factor analysis and cluster analysis) of variables confirm the close relationship among service quality variables. Consequently, partial quality seldom has the effect on customers expected by the organization. In many cases, selective quality is perceived as a dishonest attempt by the organization to pretend to be what it is not.

Consequently, if a study measures the individual attributes that taken together represent 'quality', satisfactory performance on *some* of these attributes may not be enough.

Service Quality: Functional and Personal

Although analysis shows that service is a single factor, it is made up of two subfactors: functional and personal service.

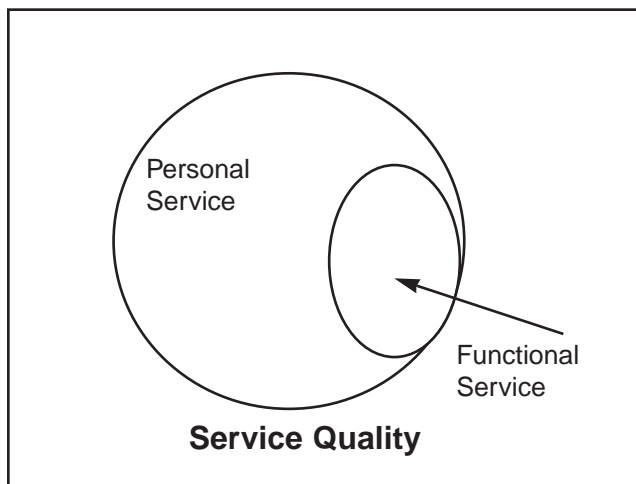
Functional service refers to attributes of service that are akin to attributes of a product. Attributes of functional service can be improved individually and without direct reference to customers. Waiting time in a check-out counter, bank statements that are clear to the customer etc. are examples of functional service.

Personal service, on the other hand, refers to attributes of service that are difficult, if not impossible to improve without reference to customers. Concern for customers, flexibility in dealing with customers and taking customer complaints seriously are all examples of personal service.

Personal Service is Very Strongly Associated With Service/Quality

It is interesting to note that the term service quality evokes, in most people's minds, aspects of personal rather than functional service. For example, Jim Clemmer was given the following list (*Firing on All Cylinders*, published by Macmillan of Canada, 1990) when he asked a group of executives what service/quality meant to them:

- prompt attention to complaints or problems
- availability
- good customer communications
- showing respect and common courtesy
- keeping appointments and commitments
- educating maintenance people
- quality workmanship
- recommending future products
- appearance and neatness



- technical knowledge and ability
- a high quality job

It is interesting to see how closely personal service is associated with service/quality in general.

Personal Service is More Difficult to Measure

In these articles I have been concentrating more on personal service rather than on functional service. The reason for this is that personal service aspects of quality are intrinsically more complex, more difficult to deliver consistently and consequently pose greater methodological challenges. While I do not want to mini-

mize the functional aspects of service quality, their measurement tends to be much less complex (being very similar to the measurement of product attributes) and straightforward.

Personal Service Cannot Be Developed Overnight

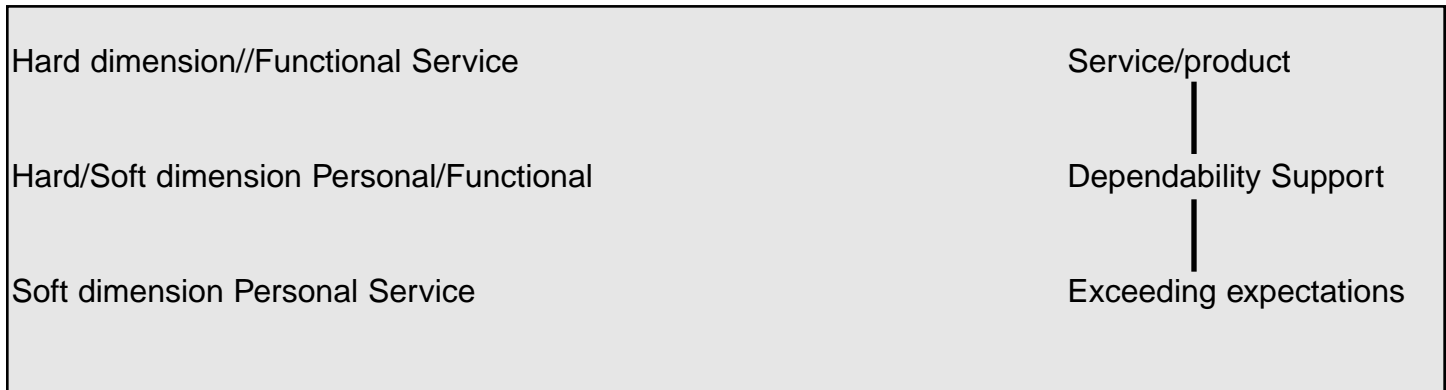
Another important difference between functional and personal service is the quickness with which they can be implemented. Aspects of functional service can be installed instantly. For example, an organization can extend its working hours or install faster computer terminals to help customers. They can be done immediately. Personal service is more difficult to develop so quickly. It requires more than the availability of resources: commitment of the management, resource location to support the commitment, co-operation of the employees and change of attitudes - all these have to happen at least to a certain extent before we install personal service. It is "about as difficult a job as a company can undertake, because it means reforming attitudes and practices in nearly every department."

(Fortune, Dec. 7, 1987)

Aspects of Personal Service Are Recognized More Slowly

Aspects of functional service are easily recognized. Longer business hours and more readable statements are not subjective experiences and hence are easily recognized as soon as they are offered. Aspects of personal service, on the other hand, are based on subjective evaluation. When an organi-

zation changes its course and attempts to offer personal aspects of quality service, it may not be immediately recognized by customers. This means that research mounted to measure the impact of newly instituted personal service measures may initially show that customers have hardly noticed the improvement. It is important to realize that there will be a lag before customers realize that the improvement in service/quality is a genuine one.



Service/Quality A Three Dimensional Model

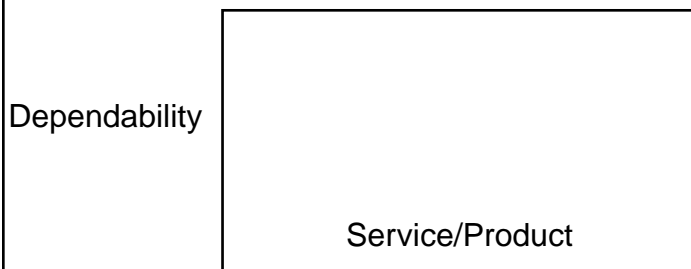
Quality/service may be reduced to three basic dimensions.

The first dimension of service/quality is the product or the service being offered

Does the product/service meet customer needs? If what is offered is a service, is it a service that customers would like to have? If it is a product, is it well made?

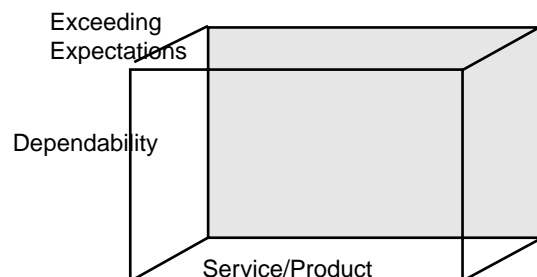


The second dimension of service/quality is dependability.



Dependability refers to customer confidence in the organization's continued commitment to the product/service being sold. It would include after sales service. It means treating the user of your product or service as your customer, even though the initial sale has been completed.

The third dimension of service/quality involves Exceeding Expectations.



The third dimension - **exceeding expectations** - is what provides depth to service/quality. The service offered exceeds customer expectations and makes the customer 'feel important'. This is the dimension that is most critical in building customer loyalty.

Hard and Soft Dimension of Service Quality

Another way to look at the distinction between personal and functional service is to view them as soft and hard dimensions. The hard dimension includes the functional aspects of service quality whereas the soft dimension includes the personal aspects of service quality.

The distinction between hard and soft dimensions is conceptual. An even more useful distinction can be made if we view service/quality as three-dimensional.

A Three Dimensional Model of Service/Quality

The three dimensional model proposed here introduces an intermediate dimension between the hard and the soft dimensions.

The chart above shows a more formal structure of this model.

Implications of the Model

The model proposed here has implications for conceptualizing a strategy and for developing a research design. Let us first consider how we can use the model conceptually:

- Conceive of a service/product and develop its features.
- Have a mechanism which continues to recognize customers - whether or not they generate revenue for the organization - and rewards customers for dealing with you (or for having dealt with you)
- Identify ways in which you can exceed customer expectations.

The first dimension is absolutely critical to anyone in any business. The second dimension is where customer loyalty begins. Unfortunately, this is where the customer is often treated inconsistently. The third dimension is where customer loyalty is consolidated. This is the most neglected and the least understood of the three dimensions.

Is Your Organization a Straight Line, a Square or a Cube?

To understand the importance of dimensionality, visualize the marketplace as a collection of straight lines, squares and cubes representing the first dimension, first two dimensions and all three dimensions respectively (as depicted above). If your organization is a straight line, you are offering a reasonable service but nothing more. If your competitors are squares or cubes, your organization will be hard to notice in the marketplace.

Even if your service is technically superior to your competitors', your competitors can get noticed more easily if they offer the second and third dimensions. When there is clutter, cubes will dominate squares and squares will dominate lines. A service with no distinguishing feature can still be successful through the effective use of added dimensions of service quality.

Many products and services in a competitive market are standardized. Even when many variations are possible (as for instance in the premium credit card market), the benefits simply create a clutter. The superiority of a service is seldom established on the first dimension for common services/products. Whatever service enhancements you can offer on the first dimension can usually be and are matched by the competition.

It is possible to establish superiority on the first dimension but is not easy to do so except for short periods of time. More importantly, this dimension does not build customer loyalty. If all you offer is a good product but not service on the second and the third dimensions, customers will not hesitate to switch to an equally good or superior product.

Your market is much less vulnerable if it is strong on the second and the third dimensions. While a competitor can easily match your product on hard dimensions of a service, it is difficult to match it on the soft dimensions.

Again, there is a limit to innovation and uniqueness on the first dimension. But there is no limit to the way an organization can distinguish itself on the third dimension.

Thus the second and third dimensions - which is what most people mean when they talk about service quality - provide the following advantages:

- they make your service much more visible in the marketplace.
- they easily compensate for your service not being distinguished on the first dimension.
- they build customer loyalty.
- they provide a built-in protection from new and unexpected competition.

The following quote from Buck Rodgers (who, as a senior executive, was involved in implementing the service quality dimension at IBM) talks about service quality attributes that essentially belong to the second and third dimensions. It shows how much a business can be affected by neglecting the soft dimensions of service/quality. "There is no way of quantifying how many customers are lost because of little human errors - not returning a phone call, being late for an appointment, failing to say thank you, taking an account for granted. As far as I'm concerned, these things can be the difference between a very successful company and a failure."

When we consider what is at stake when soft dimensions of service quality are ignored, it is hard to believe that few organizations make service quality their priority.

The Myth of Service Quality Revisited

Most organizations that are unidimensional seem to assume that they have automatically fulfilled the conditions of soft dimensions.

Research can be used to measure how well an organization has been doing in soft dimensions. However, when we attempt to measure non-existent dimensions, customers tend to 'regress to the mean' as we noted earlier. Such measures are essentially random and spurious. They are respondent - and on occasion - dependent and can hardly be considered objective measurements of service/quality. As we discussed in an earlier article, it is possible to be rated high on soft dimensions even though the service quality offered is mediocre. Thus management assumptions and misguided research can create an illusion of high service quality that is completely unsupported by reality. It is one of the many ways in which the myth of quality is created and maintained.

Researching the Three Dimensions

As mentioned earlier, the three-dimensional model of service quality has implications for research as well. In the next article, I will discuss the research methods we can use to understand and assess the three dimensions of service quality.