

THE IMPORTANCE OF SERVICE QUALITY FOR ACHIEVING CUSTOMER SATISFACTION

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Summary: It is harder for service companies to establish standard service quality corresponding needs and expectations of consumers than it is the case with production companies, all due to specific character of services. Consumers also have difficulties to evaluate the quality of services. That is why this paper indicates the need of the company to understand the idea of the service quality and dimensions that define it. Also, it implies the ways to measure the service quality and the reasons it is necessary to do so. The final aim of this paper is to emphasize the importance of service quality in accomplishing customer satisfaction and, consequently profitable operation of companies.

1. INTRODUCTION

Last decades of the previous century and early present century are designated by fast development of service activities and their growing importance in overall economic structure. It refers first to highly developed countries wherein service activities were declared as the key inspiration of overall social and economic development. Service economy has similar role in the economies of underdeveloped countries but the impact intensity to total economy is much smaller than in service activities. There are numerous factors contributing to an important increase of the role of service activities. Fast development and application of modern technology widened the offer of service sector significantly changing the structure of overall economy. Informatics technology has had great contribution to these processes changing the relation of numerous service activities and consumers. Even the production processes were enriched by service activities once the production stage of some goods is completed. In these circumstances it is very important to pay attention to study of service quality, its dimensions and measuring method in order to improve it continuously. Continuous offer of high quality service is extremely important to reach consumer satisfaction which is reflected positively to competition and to profitable business of service companies.

2. DEFINITION OF SERVICE QUALITY

The attempt to define quality meets many various opinions as the term is rather unclear and subjective. In fact, quality is similar to beauty which is in the eyes of a spectator. For Deming [20] quality comprises lack of defect or reduction of variations. Juran [21] defines quality as a product or service potential to be utilized. Crosby [22] stands at the aspects that quality is adaptation to demands. Collier [6, page 165] points the following most popular quality definitions:

1. Quality is matching specifications
2. Quality is a stage where consumer/user specifications are met
3. Quality is a fair exchange of a value at a price
4. Quality is potential for utilization

The basic ideas and premises for the product quality cannot always be applied for the service quality. In Service marketing quality is regarded as an overall price. Service quality in this context depends on the gap between delivered and demanded quality dimensions. Parasuraman, Zeithaml and Berry[14] point that consumers have more difficulties to evaluate service quality than a product quality and that perceived service quality is the result of comparison of the expectations of a consumer with performances of experienced service. They also state that quality evaluation is not based only upon the service results but upon the process of service delivery. Also, when buying service, a user has much less tangible elements than when a product is bought and it is more difficult to give objective quality evaluation. Like Parasuraman, Zeithaml and Berry, Gronros [9] supports the standing point that perceived service quality is the result of comparison between expected and perceived service. As such definition is similar to definition of the term of satisfaction, it is necessary to explain difference between satisfaction of consumer and perception of the service quality. Consumer satisfaction differs from the quality for several reasons. First, expectations in Parasuraman definition of quality refers to standard expectations (ideal), and in satisfaction definition it is an expectation referring to consumer anticipation on the service quality to get. Second, consumers find it necessary to get experience with service to evaluate how much they are satisfied with it. On the other hand, quality may be perceived without some specific consuming experience. Third, consumer satisfaction depends on the value [10, page 38], where the value is seen as relation of perceived quality in regard to price and received benefits and cost. Thus, consumer satisfaction depends on price and the product and service quality generally seems to depend on price. Finally, quality is based on consumer perception of a service in presence while, according to the understanding of authors who support cumulative satisfaction definition, consumer satisfaction is not based only on present experience but on all past and anticipated future experiences. [10]

3. DIMENSIONS OF SERVICE QUALITY

Although there is an agreement in literature that perceived service quality has multidimensional nature, it is still the debate subject on what the number is and what the content of dimension of service quality is. Gronross states that there are two quality dimensions: functional and technical quality [9] Technical quality is determined by an answer to the question what does a consumer get. For example, if consumer saves in a bank, consumer gets interest rate; if consumer uses bus, consumer gets to specific destination; if consumer goes to a restaurant, consumer has delicious lunch. However, it is very important it that technical quality is offered to consumers. That is why functional quality is the way consumer gets the service. For example, in a bank case it is the matter of staff politeness, does it trustworthy and similar; in case of a bus transport it is the matter of a bus tidiness, comfort, if the bus reaches destination in time, is the bus crew polite etc; in case of a restaurant, are the waiters polite, is the restaurant clean and tidy as well as other important determinants in the very service.

Until recently the stress was set to technical quality as for the main quality source. However, technical quality strategy is reliable only where companies are capable to develop such technical solutions not easily achievable by competition. Nowadays, however, thanks to fast development of techniques and technologies there are more companies that can adopt similar solutions in relatively short time. On the other hand, strategy of service improvement is a possible option for company differentiation i.e., improvement of interactions between customers and sellers becomes a foundation for

programs to accomplish quality. In that case, dimension of functional quality can greatly increase the service value for consumers enabling necessary competitive advantage.

Combining technical and functional dimensions results in service perception, and perception in combination with expectation, influence perception of service quality. However, to make a model of service quality complete, it is necessary to include the image that can be interpreted as a filter for technical and functional quality. Image can significantly impact perception of a service quality in different ways. Thus, in case of a good image, consumer will be ready to forgive small mistakes made in service, but if mistakes are repeated often an image may be seriously be affected. If an organization has a bad image, the effect of some mistake will be greater than usual.

Having in mind that products of service quality are in interaction between consumers and elements in service organization, Lehtinen and Lehtinen's [11] state that a concept of three quality dimensions is more acceptable: 1. physical quality representing physical aspects of a service; 2. corporative quality expressing the image of a service company, and 3. interactive quality resulting from interaction between service staff and a consumer and among consumers themselves. In that case, difference between quality linked to the process of offering services and quality referring to the service result itself is pointed out.

Rust and Oliver extend Gronross model by adding the third dimension. Their three dimensional model of a service quality involves: service product (technical quality), service delivery (functional quality) and service environment. [18]

Parasuraman, Zeithaml and Berry [14] having researched in four service branches: banking, credit card companies, stockbrokers and service companies for home gadgets repairs, found that expectations and perception of service quality are affected by the following ten dimensions:

1. reliability
2. sensibility
3. competitiveness
4. accessibility
5. politeness
6. communicability
7. credibility
8. safety
9. understanding and consumer commitment and
10. tangibility

Later development of a model for measuring service quality brought Parasuraman, Zeithaml and Berry [15] to a conclusion that awareness solution is more acceptable for above-mentioned ten dimensions converted into the following five ones:

1. tangibility (physical objects, equipment, appearance of service staff)
2. reliability (potential to deliver a promised service)
3. sensitivity (willingness to help consumers and to provide fast service)
4. safety (knowledge and politeness of the staff and their capability of getting trust)
5. empathy (care, individual attention for consumers)

Safety and empathy represent in fact seven original quality dimensions: competitiveness, accessibility, politeness, communicability, credibility, safety and understanding and commitment for consumers. Reducing number of dimensions has not reduced accuracy in quality measurement.

It is obvious that there are different opinions on dimensions of service quality. It would be hard to extinguish some of above approaches as the most acceptable in explanation and understanding the essence of perceived service quality; however, when speaking on quality measurement the Parasuraman's concept of five dimensions is mostly used.

4. MEASURING OF SERVICE QUALITY

The most popular instrument for service quality measuring is SERVQUAL. [15] It consists of 44 items by which expectations and perceptions of users are being measured, through five service quality dimensions: perceptibility, reliability, sensibility, safety, and empathy that we have already mentioned. In SERVQUAL model 44 items are divided up into two parts, each consisting of 22 items: Part 1 measures users' expectations (what the company itself should offer), and Part 2 measures user's perception of a company performance. Study participants are asked to express their expectations and performance perceptions on 1-7 Likert scale, grading it from 1 (I firmly disagree) to 7 (I firmly agree). The results of the study are then being used to identify positive and negative gaps in the performance perceptions of five service quality dimensions of a company, mentioned above. The gap between expectations and perceptive performances (perceptive service quality) is measured as a difference between two results (performance-expectations). For each study participant service quality for each dimension is evaluated as follows:

$$SQ_j = \frac{\sum_{i=1}^{n_j} P_{ij} - E_{ij}}{n_j}$$

Where following stands for:

SQ_j - Service quality of a dimension j

E_{ij} - Company's expectations for an item and which relates to a dimension j

P_{ij} - Company's perceptive performance for an item and which relates to a dimension j

n_i - The number of items for a dimension j

An average result for each service quality dimension is gained by adding the results of all study participants. The total service quality is being determined by averaging all five dimensions of service quality. Positive results show that service quality is better than expected to be, while a negative result represents lower quality. Zero result implies that the quality is satisfactory.

Parasuraman later revises the SERVQUAL model, where the differences are shown as follows: [16]

1. Firstly, the term "should" in its original version may lead to unrealistically high results related to expectations, so the new model introduces somewhat different terms. Revised terms focus on what users' expectations should be from the company that delivers excellent service. For example, item "City Public Transportation should have accurate timetable", has been modified into an item "Distinctive public transportation in the city will insist on accurate timetable".

2. Secondly, all negative items' formulation in an original version of the SERVQUAL is changed by positive formulation. For example, "The employees of XYZ are not always willing to help users", has been changed into "Employees are not always willing to help you".

3. Thirdly, two original items, one within the perceptibility, and another one within the safety, have been changed by two new ones that explain dimensions in a better way: perceptibility and safety.

4. In the fourth place, evaluation of significance of each of five dimensions in original model is gained indirectly by regressive analysis. Revised model introduces the third set of questions for users that directly measures relative significance of each of five dimensions for users. These results are then used to evaluate the indicator of each dimension of

perceptive service quality. The main purpose is to obtain the most accurate result of perceptive service quality.

After its showing up, SERVQUAL model has become the point of interest of many researchers. Among those who criticize it and do not support it are Babakus and Boller [3], Bolton and Drew [5], Cronin and Taylor [7], Teas [19], Lee [12] and others, while we will explicitly point out the positions of Cronin and Taylor and Teas.

Cronin and Taylor state that the SERVQUAL mix satisfaction and position. They believe that service quality can be conceptualized like position and that it can be put in operation through "adequacy-significance" model. Practically, they think that service quality has been determined by performances and not by performance-expectations ratio and that is why they have developed an alternative way for measuring perceptive service quality - SERVPERF, which considers performances only. In their empiric study, the SERVQUAL is adequate for measuring of perceptive quality in only two areas, while the SERVPERF is suitable for all four areas within which the research was conducted.

Teas discusses conceptual and operational issues of using of access to performance minus expectations, with special emphasizes on the expectations. He suggests and empirically tests two alternative models of perceptive service quality: performance grade and standardized quality. Thus one concludes that model of performances' grading overcomes the SERVQUAL and model of standardized quality as well. This model of service quality is measured as a gap between perceptive performances and ideal sum of characteristics instead of expectations.

The opinions obviously differ on the best model for measuring the perceptive quality, however, it would be possible to summarize all that various authors agree on: [17] 1. the service quality is the position and it differs from users' satisfaction, 2. performances' perceptions need to be measured, 3. number and defining of dimensions depend on service context, 4. negative questions formulating should be avoided, unless researches are brief.

The areas that are still debated are shown in the following table of context (table 1).

From all mentioned above a conclusion can be drawn that the SERVQUAL model is good as the starting foundation on the basis that every service company should create on its own model for measuring perceptive service quality, that would be adapted to specific purpose and service context.

It is very important for a company to continuously measure users' evaluation of its service quality offered, because that is the only way to work on improving their service offers and to adapt it to needs and desires of consumers. There is the need for each company to consider that its perception of high quality service might not be viewed and experienced in the same way by users, which makes measuring of service quality necessary in order to obtain realistic cognitions.

Table 1. Debate on service quality measuring: summarized areas of disagreements.

Area	Nature of disagreements
Purpose of measuring instruments	Whether the primary purpose is diagnosis or anticipation.
Service quality definition	Nature of the position: whether to be related to performances, expectations, and/or ideal standards.
Models for service quality measuring	Whether to measure expectations or not. Whether to measure significance or not.
Service quality dimensionality	Whether the five dimensions model is correct in its original context.
Questions related to expectations	Expectations' definition. Whether is necessary to identify items which are attributes vectors and classic ideal points of attributes. When to measure expectations, before or after service encounter.
Form of measuring instruments	Which approach to measuring is the best: differential sum of points, un-differential sum of points or semantic differential scales? Whether significance should be measured by questions or dimensions, or based on sum of points of performances and expectations.

Source: Robinson, S. (1999), *Measuring service quality: current thinking and future requirements*, Marketing intelligence & Planning, 17/1, page 30.

5. PERCEPTIVE SERVICE QUALITY AND USERS' SATISFACTION RATIO

When it comes to ratio between service quality and users' satisfaction the question is raised whether the satisfaction of users leads to perception of service quality or perceptive service quality affects the satisfaction. Although there are authors who claim that sensations of satisfaction over time result in perception of service quality, among whom are Parasuraman[16], Bitner[4], Bolton and Drew[5], widely accepted opinion, supported by empirical proofs, is that perceptive service quality influences users' satisfaction. Cronin and Taylor [7] imply that their structural analysis of causal connection between satisfaction, total service quality, and consuming intention, all coefficients of the path line service quality => satisfaction => consuming intention are statistically important. While the coefficients of the path line service quality => satisfaction => consuming intention are statistically insignificant Lee and others [12] have also studied the relationship between service quality and satisfaction coming to conclusion that perception of service quality precedes satisfaction. Their point of view they explain in such way that it is necessary to percept the service firstly so that it could be graded, or to feel the satisfaction. In other words, the users may percept the service quality immediately after using the service, while later on they compare the perception with their anticipated expectations. Perceptive service quality, expectations and unmet anticipation will then result in satisfaction or dissatisfaction. This point of view on perceptive service quality as a determinant of

satisfaction is supported by empiric studies of Anderson and Sullivan [1], Oliver and Desarbo [13], Fornell, [8] and others. We could agree on this point of view.

Satisfaction of users depends on larger number of different factors, where literature most commonly cites: perceptive quality, value, price, time used in searching for service by a user, company's image, expectations, needs, desires, and experience. However, the service quality percept by a user is certainly the basic determinant that will lead to satisfaction or dissatisfaction of a user. Therefore, the primary goal of a company that wishes to ensure satisfaction for its consumers and establish long-term relationship with them must be continuous investing of all available resources into improvement of service quality.

CONCLUSIONS

In market way of profit earning the user of service is the one who evaluates the level of service quality and to what extent it satisfies his needs and desires. This means that company's perception of quality is not necessarily percept in the same way by user. Thus, in order for companies to know to what extent their users are satisfied, as well as what elements of their services are unsatisfactory, they have to conduct studies on perceptive service quality by users, and not only from time to time, but continuously. Only based on realistic information gathered in such way company's management can make decisions regarding improvement of service program, so that it could improve its service offer, give satisfaction to a user, and aim at gaining his loyalty. Service users can no longer be seen as the victim of powerful multinational companies, but rather as a partner in long-term relations.

Companies that most rapidly turn to managing the relations with users of their services are the ones who recognize the existence of variances between consumers' needs and desires and what seller offers or what he could offer at a reasonable price. Some companies proactively react in order to manage these situations, while others react only when conflict of crisis emerges. In reality the appearance of crisis is just a matter of time if there is no efficient management of the relations with users and if there is no satisfaction provided for a service user, through providing high quality service that overcomes his starting expectations.

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