

**Strategic Services Marketing**  
**Prof. Kalpak Kulkarni**

**Department of Management Studies,**  
**Indian Institute of Technology, Roorkee**

**Week – 07**

**Lecture - 31**

**Measuring and Improving Service Quality**

Hello everyone. In this work, let's discuss something about managing service quality and how to handle service recovery. In this session specifically, we're going to explore the ways of measuring and improving service quality. Quality means something to someone and different to someone as well. It takes different forms or thoughts related to quality when it comes to product, services or even experiences. For example, for someone quality maybe we're talking about a property or attribute or characteristic of an particular product or service.

For some people quality might have significance in terms of which grade of material it is being used, the calibre, the rank, status, importance, value and worth. Some people also looked at quality in terms of old fashion eminence, prominence, excellence in something, superiority over other things or even how something is distinguished or different from other. Whereas some people also looked at quality as a general excellence of standards or level. Whereas for others it is a distinctive attribute or characteristic possessed by someone or something.

Moreover, we also attach level of superiority that is usually high when we say something is of very high quality product or service. And most of the time we refer to quality as a term when we want to talk about something which is of superior grade. So, what comes to your mind when you look at these two different brands and their kind of you know print advertisements. One is coming from Mercedes and another coming from Honda. When comparing the quality perception between a Mercedes and a Honda Civic several factors come into play.

Let's say first example brand image and reputation. Mercedes Benz is often associated with luxury, prestige and superior engineering. The brand has a long lasting reputation for producing high end vehicles with advanced technology and premium materials. On the other hand, Honda Civic is known for its reliability, affordability and practicality. While

both the brands have positive reputations, Mercedes Benz tends to be pursued as more luxurious and upscale.

When it comes to design and engineering, Mercedes Benz typically incorporates cutting edge technology, innovative features and meticulous craftsmanship into its vehicles. The design and engineering of Mercedes Benz, these cars often prioritize performance, comfort and luxury. As Honda Civic still well designed, tends to focus more on practicality, fuel efficiency and value for money. This may result in differences in perceived quality in terms of materials, fit and finish and driving experience. Let's talk about more in terms of differences between these two brands with respect to features and options.

Mercedes-Benz, these vehicles often comes with equipped with you know wide range of luxury features and customized options as well, allowing buyers to tailor their vehicles to their preferences. This can include advanced safety systems, premium audio systems and high quality leather upholstery and even sophisticated infotainment systems. While Honda Civic also offers a variety of features, they may not reach the same level of luxury and refinement as those found in Mercedes Benz vehicles. Coming to perceived value, another customer specific variable. The perception of quality is often influenced by the perceived value offered by the vehicle.

Mercedes Benz vehicles typically combine or command higher prices due to their luxury positioning and premium features. This may lead consumers or customers to expect a higher level of quality and refinement compared to the more affordable Honda Civic. However, Honda Civic offers excellent value for money with a reputation for reliability, low maintenance cost and strong resale value. So this example of comparing Mercedes versus Honda Civic gives us an idea that how quality can be different in terms of different attributes, standards, grade and something else. Now, let's look at what quality means in terms of different approaches.

How different theoretical lens looks at the concept of quality. The first lens through which we are looking at quality here is known as the transcendent approach which means mark of uncompromising standards. This approach views quality as something inherent, almost mystical beyond precise definition. Quality is seen as an abstract concept that exists independently of human judgement. This approach suggests that there are universal standards of excellence that certain product or service achieve.

For example, our own Taj Hotels, a five-star luxury hotel that prides itself on providing an unparalleled guest experience. The hotel maintains exceptionally high standards of service, aesthetics and amenities aiming to transcend ordinary expectations and offer a truly exceptional stay to their guests. Second lens or approach to look at quality is called as the product-based approach wherein the quality actually reflects the differences in the quantity of some ingredient or attribute possessed by a product. Here quality is defined

by the characteristics and features of a product or service. It focuses on tangible aspects such as durability, reliability, performance and features.

Quality is judged based on how well the product meets its specifications or even requirements. For example, a fast food chain Subway focuses on the consistency and test of its menu items across all its outlets. It emphasizes using standardized recipes, fresh ingredients and efficient cooking methods to ensure that customers receive the same quality of food every time they visit regardless of their location. Next lens or approach to look at quality is through the user-based approach which says quality lies in the eyes of the beholder. Here quality is defined by the satisfaction of the customer or user.

This approach emphasizes meeting or exceeding customer expectations. Quality is subjective and can vary from one user to another. Thus, understanding and fueling customer needs and preferences become paramount in assessing such type of quality. For example, Disney Plus, an online streaming service platform that constantly gathers user feedback and preferences to improve its recommendation algorithms. By analyzing viewing habits, ratings and user reviews, the service tailors its content suggestions to individual preferences aiming to enhance user satisfaction and engagement.

Next approach to look at quality talks about the manufacturing-based approach. Here quality means conformance to some pre-decide or defined specifications. Quality is viewed as a conformance to specifications and standards during the production process. It emphasizes adherence to predefined processes and standards to ensure consistency and reliability in the manufacturing of these products and even into the delivery of these services. This approach often involves rigorous quality control measures and continuous improvement efforts.

For example, Saudia, an airline company implements rigorous maintenance procedures and safety checks to ensure the reliability and safety of its fleet. It adheres to strict regulatory standards and conducts regular interactions and inspections and maintenance routines to minimize the risk of mechanical failures and ensure a safe travel experience for passengers. Coming to the next approach is known as quality is value. Here what we are trying to say is it is nothing but the ratio of perceived benefits with perceived sacrifices. This perspective suggests that quality is synonymous with value.

It emphasizes that quality is not just about meeting specifications or even achieving customer satisfaction but also about delivering value to the customer. Value can encompass various aspects such as performance, reliability, durability, features and even price. Quality products or services provide value to customers by meeting their needs effectively and efficiently. For example, Air Asia, a budget airline again. A budget airline that differentiates itself by offering affordable fares without compromising on safety or customer service.

Despite lower prices, the airline prioritizes punctuality, cleanliness and friendly service, aims to provide customers with a good value for their money and a very positive overall experience. Coming to next, let's have another example, Singapore Airlines. Singapore Airlines advertising campaign emphasizes the airline's commitment to providing exceptional service quality. Now, we're entering into the realms of not just quality, we are now just started discussing about service quality. So, the Singapore Airlines, they had this particular advertising campaign named as a great way to fly.

This campaign showcases how Singapore Airlines offers premium amenities, attentive service and unparalleled hospitality. Have a look at this particular commercial from Singapore Airlines. We search for what's special, for what lifts an experience to another level. And that unspoken feeling doesn't happen by chance. So no matter what changes, this commitment holds true.

We'll find what truly matters to make you feel at home. Through this captivating visuals and storytelling, this campaign highlights Singapore Airlines reputation for excellence and its dedication to delivering a superior flying experience. By focusing on comfort, convenience and personalised service, the airline positions itself as the preferred choice for discerning travellers seeking the highest standards of quality and luxury. So, what is service quality then? So, Philip Kotler and Gary Armstrong in their book define service quality as the extent to which a service meets or even exceeds customer expectations. In their view, service quality encompass various dimensions including reliability, responsiveness, assurance, empathy and tangibles as well.

So these five dimensions are known as five dimensions of service quality. The first here is reliability, which is nothing but delivering on your promises. Second dimension involves responsiveness, that means being willing to help your customers. Third, assurance, that means inspiring trust and confidence within your customers. Fourth dimension is empathy, that means treating customers as individuals and with respect.

And finally, tangibles, that means representing the service physically. What is reliability? Let's go through a little bit in these five dimensions. What is reliability? Reliability is defined as the ability to perform the promised service dependably and accurately. In it's broadest sense, reliability means that the company delivers on its promises and promises about delivery, service provision, problem solution and anything even pricing as well. Customers want to do business with companies or service providers that keep their promises, particularly their promises about service outcomes and core service attributes.

What is responsiveness? Responsiveness is the willingness to help customers and to provide prompt service. This dimension emphasizes attentiveness and promptness in dealing with customer requests, questions, complaints and even feedback and problems as well. Responsiveness is communicated to customers by the length of time they have to

wait for assistance, answer to their questions or even attention to their problems. To excel in this particular dimension of responsiveness, a service provider must view the process of service delivery and the handling of request from the customer's point of view rather than from the company's point of view.

Next dimension is assurance. Assurance is defined as employee's knowledge and courtesy and the ability of the firm and its employees to inspire customer trust and confidence. This dimension is likely to be particularly important for services that customers perceive as high risk or for services for which they feel uncertain about their ability to evaluate outcomes. So, this refers to us to our credence attributes right, where a customer cannot evaluate a service before having or before experiencing it. For example, banking, insurance, brokerage, medical, hospitality and so on. Next comes empathy, which means treating customers as individuals.

So, empathy is defined as the caring individualized attention that the firm provides it's customers. The essence of empathy is conveying through personalized services that customers are unique and special and that their needs are understood. Customers want to feel understood by and important to firms that provide services to them. Next comes tangibles. Tangibles are defined as the appearance of physical facilities, equipment, personal and even communication materials.

Tangibles provides physical representations or images of the service that customers, particularly new customers will use to evaluate quality. Service industries that emphasize tangibles in their strategies include services in which the customer visit the establishment to receive certain services or restaurants and hotels like things where they come and visit and experience or consume those services. So, what are the strategies to improve service quality? So, there are four ways to work out or improvise service quality of a service provider. As shown in the diagram, the first is employee training and development.

For example, Starbucks. Starbucks is known for its commitment to employee training. The company invests heavily in Barista training programs ensuring that each employee understands not only how to make coffee, but also the importance of customer interactions. This focus on training contributes to Starbucks reputation for excellent customer service, which is aptly quoted in one of the thought or opinion put forth by Howard Schult for Starbucks. We build the Starbucks brand first with our people, right, and not with the customers because we believe that the best way to meet and exceed the expectations of our customers was to hire and train people.

So, we invested in employees. The second route to improvise services is through process improvement. Amazon is a prime example of a company that continually focusing on process improvement. Their commitment to innovation in logistics, order fulfillment, and delivery processes has allowed them to provide customers with a fast and reliable service,

setting new standards in the e-commerce industry. Next comes technology integration as a way to improve service quality.

For example, McDonald's. McDonald's one of the largest food chains globally has widely adopted self-service kiosk, which customers use to browse the menu, select their menus or items, customize orders, and even make payments as well. This technology integration not only empowers customers to control their ordering process, but also reduces wait times, minimizing the order errors, and allows their staff to focus on delivering a higher level of service, which is aptly captured in this particular image, which shows that particular self-ordering kiosk placed at one of the McDonald's store. Next comes feedback implementation. For example, Netflix. The online streaming platform Netflix is known for actively seeking and using customer feedback.

Features like personalized recommendations and content ratings are a result of Netflix's commitment to understand user preferences and delivering a more customized viewing experience. So, we understood what is quality, what is service quality, and what are the ways to improve service quality, but why it is important, why service quality is important specifically for service organization. It offers multitude of benefits. Let's discuss these in detail. So to name or list these benefits, these are customer satisfaction, customer loyalty, positive word of mouth, competitive advantage, increased customer retention, enhanced customer experience, employee morale and productivity, and business sustainability.

Let's discuss each one of these one by one. First here is customer satisfaction. High service quality lead to increased customer satisfaction. When customers receive the level of service they expect or even exceed their expectations, they are more likely to be satisfied with the overall experience. For example, Amazon Prime. Amazon Prime's fast and reliable delivery contributes significantly to customer satisfaction.

The company consistently meets or even exceeds delivery expectations, enhancing the overall satisfaction of its customers. Another benefit is in terms of customer loyalty. Satisfied customers are more likely to become loyal patrons. Loyalty is crucial for businesses as it results in repeat businesses and a higher customer lifetime value as well.

For example, Starbucks. Starbucks loyalty program, Starbucks rewards, offers personalized incentives and discounts to frequent customers. This strategy encourages loyalty and repeat business as customers are rewarded for their continued patronage. Third benefit is with respect to positive word of mouth. Customers who experience high quality service are more likely to share their positive experiences with friends, family, and colleagues. Positive word of mouth serves as a powerful and very free marketing for the business.

For example, Chick-fil-A. A fast-food restaurant chain is well known for its exceptional customer service. So, they have something called as a my pleasure culture at their chains

or hotels or restaurants. Chick-fil-A employees are trained to respond to customer's request with the phrase my pleasure instead of the more common you are welcome kind of thing. So, this unique approach contributes to positive and memorable customer interaction. Next benefit of having service quality or targeting service quality superiority is with respect to gaining competitive advantage.

In competitive markets, service quality can be a key differentiator. Service providers that provide superior service have a competitive advantage over those that do not prioritize customer satisfaction. For example, Apple. In the smartphone market, Apple's emphasis on customer service, user-friendly interfaces, and seamless integration between devices has provided a competitive advantage. Customers often choose Apple product not just for their features but also for the overall service experience they get.

Next benefit is with respect to increase customer retention. Retaining existing customers is often more cost effective than acquiring new ones. Service quality plays a crucial role in retaining customers over the long term. For example, Southwest Airlines. Southwest Airlines is known for its friendly customer service, fair pricing, and flexibility.

These factors contribute to high customer retention as passengers choose to fly with the Southwest repeatedly. Another benefit is enhanced customer experience. Service quality contributes directly to the overall customer experience. Service providers or businesses that prioritize service quality create positive and memorable experiences for their customers.

For example, Disney's theme parks. Disney's theme parks are designed to provide an immersive and very magical experience to their customers. From exceptional customer service to attention to detail in attractions, Disney prioritizes creating a positive and memorable customer experience. Next benefit of focusing on service quality that is employee morale and productivity related issues. Employees in organizations that prioritize service quality often have higher morale, satisfied and are more motivated employees. These employees are more likely to deliver excellent service creating a positive feedback loop.

For example, Google. Google is often recognized for its positive work culture and employee benefits. The company's commitment to employee well-being and satisfaction contributes to a motivated workforce that in turn delivers high quality services and products. Another benefit is with respect to achieving those business sustainability objectives. A commitment to service quality is fundamental for the long-term sustainability of a business. It helps build a solid customer base and contributes to the overall success and growth of an organization.

For example, Patagonia. Patagonia an outdoor clothing company is committed to sustainability and ethical practices. This commitment has not only contributed to a positive

brand image but also attracts environmentally conscious customers ensuring that they have long-term sustainability of the business. So, going forward let's have another look at a different campaign from Marriott which is known as Travel Brilliantly that showcase why service quality is more important and why service providers are emphasizing on this particular concept.

Have a look at this particular commercial. This is not a hotel. It's an idea that travel should be brilliant. The promise of space is as expansive as your imagination. Offering surprises that will change as often as you do.

This is not four walls. It's reinvention that will open your mind. Innovation that makes checking in as easy as a check-in and room to breathe. This is not business as usual. It's a new way to inspire, create, connect and yes, dream. We're on a journey to make your travels uncomplicated, unforgettable, brilliant. Because it's not only about where you're staying, it's about where you're going.

Marriott, travel brilliantly. With this beautiful commercial, we come to conclusion that service quality is something where a service provider try to exceed the customer expectations and what are the different benefits or what are the ways to achieve excellence in terms of service quality. Thank you.