


Services Science Management

COMP5138



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Objectives



- To illustrate service contacts and service encounters in terms of processes
- To introduce the Gaps Model of Service Quality
- To examine some of the issues in closing the service quality gaps


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The Service Process



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Customer Contacts




- Customer contacts occurs when the customer enrolls into a service process. The interactions between the customer during the service process delivery will affect the actual quality perception and therefore constitute critical points of success in service quality for all service design

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Types of Customer Contacts



- Customers can be physically present and interact directly with the service providers in the creation of service
- The contact may be indirect and occur via the internet from the customer's home or office
- Some service activities can be performed with no customer contact at all

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The Intensity of Service Contacts



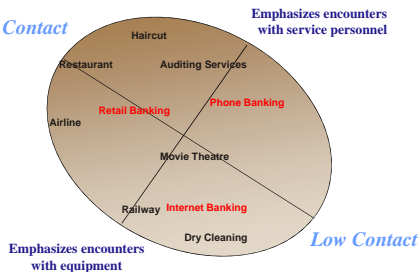

- High Contact Services
 - Customers visit service facility and remain throughout service delivery
 - Active contact between customers and service personnel
 - Includes most people-processing services
- Low Contact Services
 - Little or no physical contact with service personnel
 - Contact usually at arm's length through electronic or physical distribution channels
 - New technologies can help reduce contact levels

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Levels of Customer Contact

High Contact



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The Customer Contact Approach

- Degree of customer contact: high customer contact would depend on customer's experience and requirements would be varied from individual customers
- Separation of high and low contact operations: high contact operations would require personal touch during the service whereas low contact operations provide opportunities in self service automation
- Information empowerment: company could make use of relational database enhancing the service delivery. Customer providing necessary information could also be a key to success for the service delivery

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The Customer Contact Model

- Components of a customer contact included:
 - Communication Time
 - Total time spend in communication between the customer and the service provider
 - Information Richness
 - All sort of information and hint received by customer
 - Intimacy
 - The mutual confidence and trust perceived by customers
- Level of contacts together with different intensity of the above components would determine customer satisfaction

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The Service Encounter

- Services as processes
 - Service is a series of performance by both service employees and supporting staffs
- Customer co-production
 - Customers are interacted with the front line service employees during services
- Service provision as drama
 - Front line service environment can be seen as a performing stage where service providers are acting to entertain their audiences (customers)
- Service roles and scripts
 - At times, service employees are trained to greet and serve their customers with standard scripts during particular services
- Emotion and mood
 - Inducing suitable emotion and mood for different service environment
- The compatibility of service customers
 - Avoid the influence of service performance by incompatible customers

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Service Encounter as a Drama

- Service dramas unfold on a "stage" and settings may change as performance unfolds
- Front-stage personnel are like members of a cast
- Many service dramas are tightly scripted, others improvised
- Like actors, employees have roles, may wear special costumes, speak required lines, behave in specific ways
- Support comes from a backstage production team
- Customers are the audience and depending on type of performance, may be passive or active



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Role and Script Theories

- Role
 - A set of behavior patterns learned through experience and communication
- Role congruence
 - In service encounters, employees and customers must act out defined roles for good outcomes
- Script
 - A sequence of behavior to be followed by employees and customers during service delivery
 - Some scripts are routinized, others flexible
 - Technology change may require a revised script
 - Managers should reexamine existing scripts to find ways to improve delivery, increase productivity, enhance experiences

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Service Encounter and Expectations

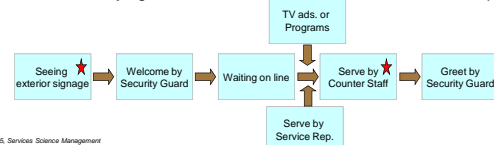
- Initial offer from a company usually marks the level of expectation
- Initial offer must be right for the first time
- First service encounter usually have larger impact

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A Service Encounter

- Service encounter
 - A period of time during which customer is experiencing a service
- Moments of truth
 - Defining points in service delivery where customers interact with employees or equipment
- Critical incidents
 - Specific encounters that result in especially satisfying or dissatisfying outcomes for either customers or service employees



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Managing Service Encounters

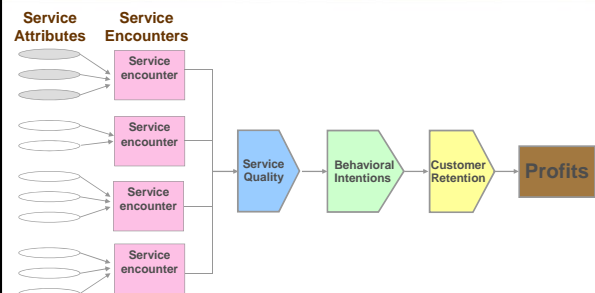


- Customer Segments
 - Thoughtless or badly behaved customers can cause problems for service personnel (and other customers) and therefore compatibility of customers must be seriously considered
- Employee Training
 - Service success often relies on the performance of contact personnel
 - Must train, coach, and role model desired behavior for contact personnel at different encounters (especially the critical incidents)
- Customer Training
 - Must educate customers what to expect from the service and help manage self behavior during services

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The Consequences of Encounters



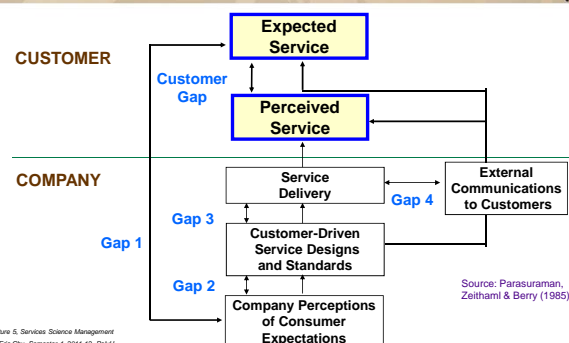
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Gaps Model of Service Quality

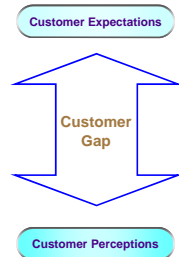
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Gaps Model of Service Quality



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The Customer Gap



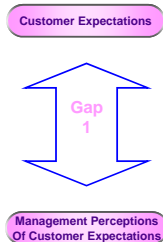
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The Customer Gap

- **Provider Gap 1 (The Knowledge Gap):**
 - Not knowing what customers expect
- **Provider Gap 2 (The Designs and Standards Gap):**
 - Not selecting the right service designs and standards
- **Provider Gap 3 (The Performance Gap):**
 - Not delivering up to the service standards
- **Provider Gap 4 (The Communication Gap):**
 - Not matching performance as to promises

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The Knowledge Gap



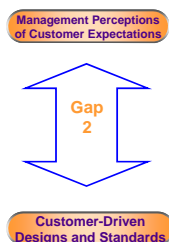
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The Knowledge Gap

- **Inadequate marketing research orientation**
 - Insufficient marketing research
 - Research not focused on service quality
- **Lack of upward communication**
 - Lack of interaction between management and customers
 - Insufficient communication between contact employees & managers
 - Too many layers between contact personnel and top management
- **Insufficient relationship focus**
 - Focus on transactions rather than relationships
 - Focus on new customers rather than relationship customers
- **Inadequate service recovery**
 - Lack of encouragement to listen to customer complaints
 - No appropriate recovery mechanisms in place for service failures

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The Designs and Standards Gap



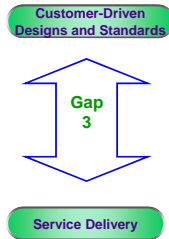
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The Designs and Standards Gap

- **Poor service design**
 - Vague, undefined service designs
 - Failure to connect service design to service positioning
- **Absence of customer-driven standards**
 - Lack of customer-driven service standards
 - Absence of formal process for setting service quality goals
- **Inappropriate physical evidence and servicescape**
 - Servicescape design that does not meet customer and employee need
 - Inadequate maintenance and updating of the servicescape

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The Performance Gap



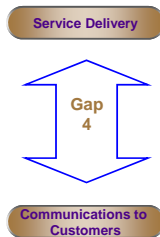
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The Performance Gap

- **Deficiencies in human resource policies**
 - Ineffective recruitment
 - Poor employee-technology job fit
 - Inappropriate evaluation and compensation systems
 - Lack of empowerment, perceived control, and teamwork
- **Customers who do not fulfill roles**
 - Customers who lack knowledge of their roles and responsibilities
 - Customers who negatively impact each other
- **Problems with service intermediaries**
 - Channel conflict over objectives and performance
 - Difficulty controlling quality and consistency
- **Failure to match supply and demand**
 - Failure to smooth peaks and valleys of demand

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The Communication Gap



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The Communication Gap

- **Lack of integrated communications**
 - Tendency to view each external communication as independent
 - Absence of strong internal marketing programs
- **Ineffective management of customer expectations**
 - Absence of customer expectation management through all forms of communication
 - Lack of adequate education for customers
- **Over-promising**
 - Over-promising in communications
 - Over-promising through physical evidence cues
- **Inadequate horizontal communications**
 - Insufficient communication between functional units
 - Differences in policies and procedures across branches or units

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