

# AN EXPLORATION OF DIMENSIONS OF SERVICE EXCELLENCE

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## Abstract

Service Excellence has become a buzz word as the service industry has taken a major role in driving economies in both developed as well as developing countries. Several studies conducted by researchers around the globe demonstrate that there is a significant correlation between service quality and profitability. Managers in service industry have the task to deliver excellent service.

This study aims to explore the dimensions of service quality that are perceived to be excellent by customers and provide common understanding of Service excellence to help marketers, managers and entrepreneurs, where appropriate, design and deliver service excellence.

## Introduction

Service excellence has become very important in today's business scenario as products are becoming more of commodities. Traditional sources of competitive advantage are vanishing as product features can be duplicated quickly and cost advantages can be affected severely due to ever increasing e-commerce. Companies in every industry are recognizing need of service excellence to sustain profitable growth.

Service excellence is something that we instantly know when we receive it. We are much better at recognizing when the service is poor. Though, it is well understood that a poor service has a strong impact on customers creating negative feelings about the organization, several organizations struggle to grasp what service excellence is & find it even harder to deliver it. On the other hand, customers instinctively know what it is. However, when asked to express their view of service excellence, customers express it in different ways and this affects the understanding of service excellence by the organizations. This paper therefore aims to explore the dimensions of service quality that are perceived to be excellent by customers and provide common understanding of service excellence to help marketers, managers and entrepreneurs, where appropriate, design and deliver service excellence.

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## **Service excellence and Customer Satisfaction**

Service excellence leads to customer delight that in turn not only impacts the bottom line positively but also provides sustained competitive advantage. Common understanding of service excellence revolves around the notion of simply extending the level of services beyond the normal expectations of customers or to surprise them so as to delight customers. Researchers have called such endeavours of surprising or delighting customers by different terms, for example, Wirtz and Johnston (2003) calls it as the 'wow effect' while Johnston (2004) refers it as 'going an extra mile'. Though researchers have been suggesting factors & drivers of service excellence, some researchers like Dube and Menon (1998) have suggested that managers should be more concerned with reducing the drivers of dissatisfaction.

There are studies that suggest merely satisfying customers is not enough to ensure that do not defect. According to Kumar, Olshavsky, & King, 2001 and Schneider & Bowen, 1999, even satisfied customers have been found to defect at a high rate in many industries. This suggests that there has organizations must strive to go beyond just satisfying customers by delighting them.

Customer delight differs from customer satisfaction in a sense that it relates to extraordinarily high satisfaction coupled with an emotional response such as joy. Not all product or service attributes are able to lead to customer delight (Berman, 2005; Matzler, Hinterhuber, Bailom, & Sauerwein, 1996).

Rust & Oliver (2000) have defined Customer delight as a positive emotional state resulting from having one's expectations exceeded to a surprising degree. It is argued that only product or service perceptions that fall outside the "zone of tolerance" (Parasuraman, Berry, & Zeithaml, 1993) and exceed the customer's expectations lead to loyalty-driven profit. Some empirical studies found that the loyalty curve is relatively flat within the zone of satisfaction (fulfilment of expectations) and climbs rapidly as a result of delight or exceptionally high satisfaction (Dick & Basu, 1994; Matzler & Pechlaner, 2001; Oliva, Oliver, & MacMillan, 1992).

Service Excellence is a means to delight customers thereby providing organizations a sustained competitive advantage & higher profitability. This makes it important to understand service excellence objectively so that businesses could direct their process to achieve this goal.

## **Methodology**

The data was collected from around 120 randomly selected individuals from four different suburbs of Mumbai and Navi Mumbai namely, Thane, Bandra, Goregaon and Vashi. The individuals were asked to name organizations that they perceive to be providing excellent service as well as organizations that they perceive to be providing poor services. Further, they were asked what factors they consider to state that the services were excellent and poor. Over 370 statements were collected and analyzed. These statements were then categorized into phrases and statements and to construct a set of characteristics of excellent and poor services.

## **Findings**

The analysis of statements suggests that individuals perceive service excellence as 'being able to do business without any hassles'. None of the customers expressed anything that suggested the companies did something that was beyond their normal expectations. They also mentioned that they would continue business with such organizations and are willing to pay more for such services.

On the other hand, poor service was perceived as the one which made the business experience bad due to various hassles. They mentioned that such organizations did not care to attend to them or care for them. It was suggested that even if a lower price is offered, customers would not do business with them. Further, 10% of the respondents suggested that they would post such poor service experience on social media.

The statements with respect to excellent service provided by the respondents were categorized into four themes:

- Delivering what was promised
- Providing a personal touch
- Handling queries and problems well
- Make efforts to help

The statements with respect to poor service provided by the respondents were categorized into following, which are in fact, the opposites of the statements with respect to excellent service:

- Not delivering what was promised
- Lack of personal touch
- Not handling queries and problems adequately
- Lack of visible efforts to help

Frequency of responses on categorized themes is shown in figure 1. It was interesting to note that delivering what was promised i.e. the so called ‘normal service’ was ranked second as part of excellent service. The aspect that constitutes an excellent service is largely about how the organizations handled the queries and problems.

Figure 1: **Categorized statements with respect to excellent service**

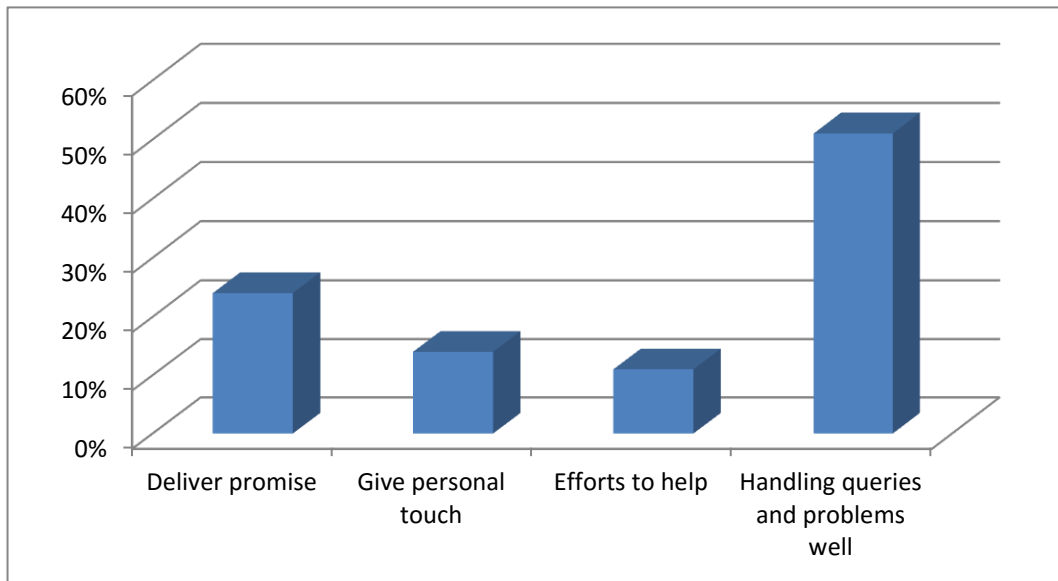


Figure 2: **Categorized statements with respect to poor service**

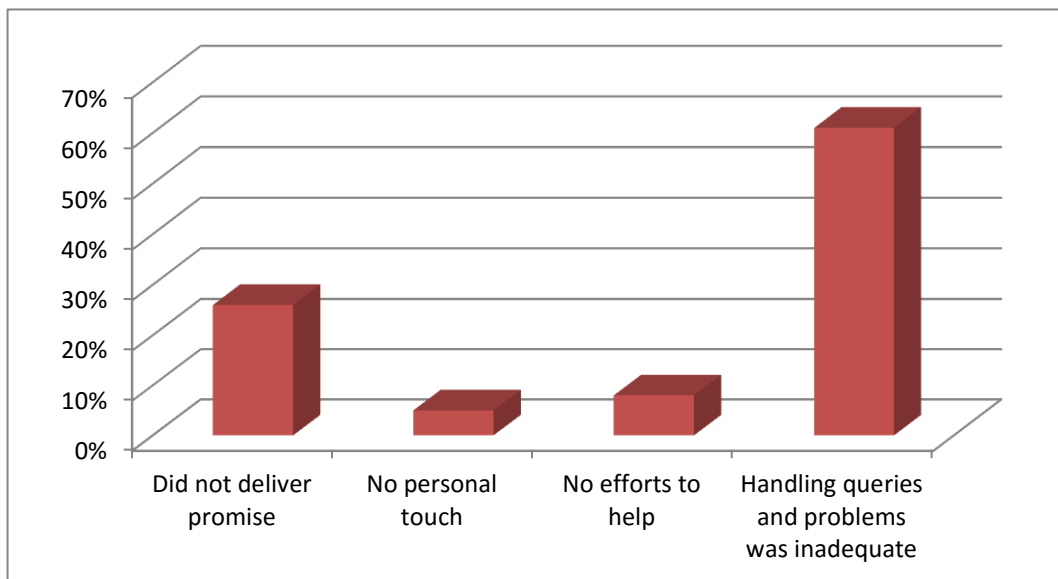


Figure 2 indicates that the statements with respect to poor service provided by the respondents are the opposites of the statements with respect to excellent service. This further suggests that it is the inadequacy in handling the queries and problems that ranks first in describing a poor service; ‘not delivering what was promised’ comes only next.

The analysis suggests that 51 per cent of the statements indicating constituents of an excellent service were about how the queries and problems were handled. This view was further strengthened by the fact that 61 per cent of the statements describing a poor service were about the fact that queries and problems were handled inadequately, not to the satisfaction of the respondents. ‘Delivering what was promised’, ‘personal touch’ and ‘efforts to help’ are other factors that determine service excellence or poor service, later two being much less important.

## **Conclusion**

This aim of this study was to explore the dimensions of service quality that are perceived to be excellent by customers and provide common understanding of service excellence to help marketers, managers and entrepreneurs, where appropriate, design and deliver service excellence. This study suggests that customers value organizations that do deliver what is promised and may not necessarily deliver more than what they expect. However, it is the way an organization handles queries and problems of its customers that is critical in making a service excellent. Service excellence is therefore about ‘being able to do business without any hassles’ i.e. simply delivering what they have promised with a sound system to handle queries and problems of customers to their satisfaction, in case they arise. Factors like personal touch and efforts to help though much less important; they do enhance the perception of service excellence.

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