

Adoption of SERVQUAL Philosophy: A sine Qua Non to the Survival of Hospitality Trade

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ABSTRACT

SERVQUAL is a method for measuring service quality; the method was created in the 1980s as part of research projects within the field of marketing. The philosophy of SERVQUAL is based on the expectations disconfirmation approach known as disconfirmation paradigm. In studying the importance of the adoption of SERVQUAL philosophy to the survival of hospitality trade, secondary sources of data involving text books, journals as well as online articles were utilized. Findings using descriptive analysis show that adoption of SERVQUAL philosophy brings about high quality service and high quality service bring about improved revenue generation and customer loyalty. SERVQUAL being a tried and tested instrument can be used comparatively for benchmarking purposes. This study recommends that in order to improve service quality using SERVQUAL philosophy, it is necessary for management to interact with frontline employees regularly in order to assess their service experiences.

Keywords: Service Quality, Customer Expectations, Hospitality Establishments

INTRODUCTION

SERVQUAL is a method for measuring service quality; the SERVQUAL model was developed by A. Parasuraman and colleagues in the USA as part of research projects within the field of marketing (Schott, 2009). SERVQUAL philosophy is based on the expectations disconfirmation approach known as disconfirmation paradigm (Rahaman *et al*, 2011). The model is based on the premise that the best way to measure service quality is to base it on the customer's experience of quality. According to Schott (2009), in SERVQUAL, quality is defined by the gap between what a customer expects and what the customer perceives. Managers in the hospitality industry are under increasing pressure to demonstrate that their services are customer-focused and that continuous performance improvement is being delivered. Given the financial and other resources constraints under which hospitality organizations must operate, it is essential that customer expectations are properly understood and measured and from the customers' perspective, any gap in service quality is identified. This information then assists a hotel manager in identifying cost-effective ways of closing service quality gaps and prioritize which gaps to focus on – a critical decision given scarce resources available to maintain service quality (Rahaman *et al*, 2011). Kotler *et al*, (2010) opined that since the quality of hospitality products and services are measured by how well customers' expectations are met, the key is to exceed the customer service quality expectations. As the chief executive of the American Express puts it, "promise only what you can deliver and deliver more than you promise". These expectations are based on past experiences, word of mouth and service advertising. If perceived services of a given firm exceed

expected service, customers are apt to use the provider again (Igbojekwe, 2009; Kotler *et al*, 2010).

Customer retention is the best measure of service quality: A hospitality firm's ability to retain its customers depends on how consistently it delivers value to them. The service provider needs to identify the expectations of the targets customers concerning service quality. Once customers' expectations are determined, managers need to develop a service delivery system that will deliver a service that meets the expectations of the customers. It is important that the service provider clearly define and communicate the level of customers' needs that need to be met. Studies of well managed service companies show that they share a number of common virtues regarding service quality. According to Powell (1995), service quality is an approach to manage business processes in order to ensure full satisfaction of the customers which will help to increase competitiveness and effectiveness. It works as an antecedent of customer satisfaction (Ruyter and Bloemer, 1995). With the increase of the importance of hospitality sub sector to the Nigerian economy, the measurement of service quality becomes important. Parasuraman *et al* (1985) and Zeithaml *et al* (1990) noted that the key strategy for the success and survival of any business institution is the deliverance of quality services to customers. The quality of services offered will determine customer satisfaction and attitudinal loyalty (Ravichandran *et al*, 2010).

Hospitality organizations must undergo a shift from a production-led philosophy to a customer-focused approach. Competitiveness of a hospitality outfits in the post-liberalized era is determined by the way it delivers customer service. Hotels with high service quality pose a challenge to other hotels. Many scholars and service marketers have explored consumers' cognitive and affective responses to the perception of service attributes in order to benefit by providing what consumers need in an effective and efficient manner. Hotel establishments can enjoy business excellence through quality control in services (Shahin, 2010). Because service quality is considered as the difference between customer expectations of service and perceived service, if expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman *et al*, 1985; Lewis and Mitchell, 1990). There is general agreement that the aforementioned constructs are important aspects of service quality. This study strives to bring to the fore the prime importance of the identification of service quality gaps in the hospitality trade.

RESEARCH METHODOLOGY

This paper gathered its data from secondary sources such as books, journals, and other documents related to the hospitality trade. Efforts were made to be as objective as possible in the use and application of these research materials.

RESULTS AND DISCUSSION

Interface of Service Quality and SERVQUAL

Service quality is a concept has aroused considerable interest and debate in the research literature (Wisniewski, 2001). There are a number of different "definitions" as to what is meant by service quality. One that is commonly used defines service quality as the extent to which a service meets customers' needs or expectations (Lewis and Mitchell, 1990; Dotchin and Oakland, 1994a; Asubonteng *et al*, 1996; Wisniewski and

Donnelly, 1996). Measurement allows for comparison before and after changes, for the location of quality related problems and for the establishment of clear standards for service delivery. Edvardsen *et al*, (1994) stated that in their experience, the starting point in developing quality in services is analysis and measurement. It follows therefore that the adoption of SERVQUAL philosophy brings about high quality service.

Importance of Quality in Customer Service

Bullard (20113) is of the view that quality customer service is a vital aspect of a guest's experience and if this is overlooked at any time by an organization, the company's ability to consistently provide continued value to the consumer will be seriously compromised. The effect of customer service, good or bad, is an important aspect of any business's ability to remain a market force in an increasingly competitive and diverse marketplace. Good customer service is the primary factor in an organization's ability to sustain growth and increase profitability over the long-term. It also brings about:

Customer Loyalty

Creating value for the customer through quality customer service is only one aspect quality customer service within an organization. Creating value for customers builds loyalty, and loyalty in turn builds growth, profit, and more value. By building value and creating customer loyalty, the customer will see that the organization values his patronage as a consumer and those consumers who experience a continually high degree of quality customer service will see the firm as more attractive than other alternatives in the marketplace.

Revenue Generation

When an organization implements value and loyalty practices through its customer service policies, it gains a degree of loyalty from the consumer that drives an increasing ability to maximize revenues. A consumer that has become dedicated to an organization because of the high degree of customer service he receives becomes a vital marketing tool for the merchant. In providing consumers with an unparalleled customer service experience, the organization realizes that "good customer service is critical to every business relationship

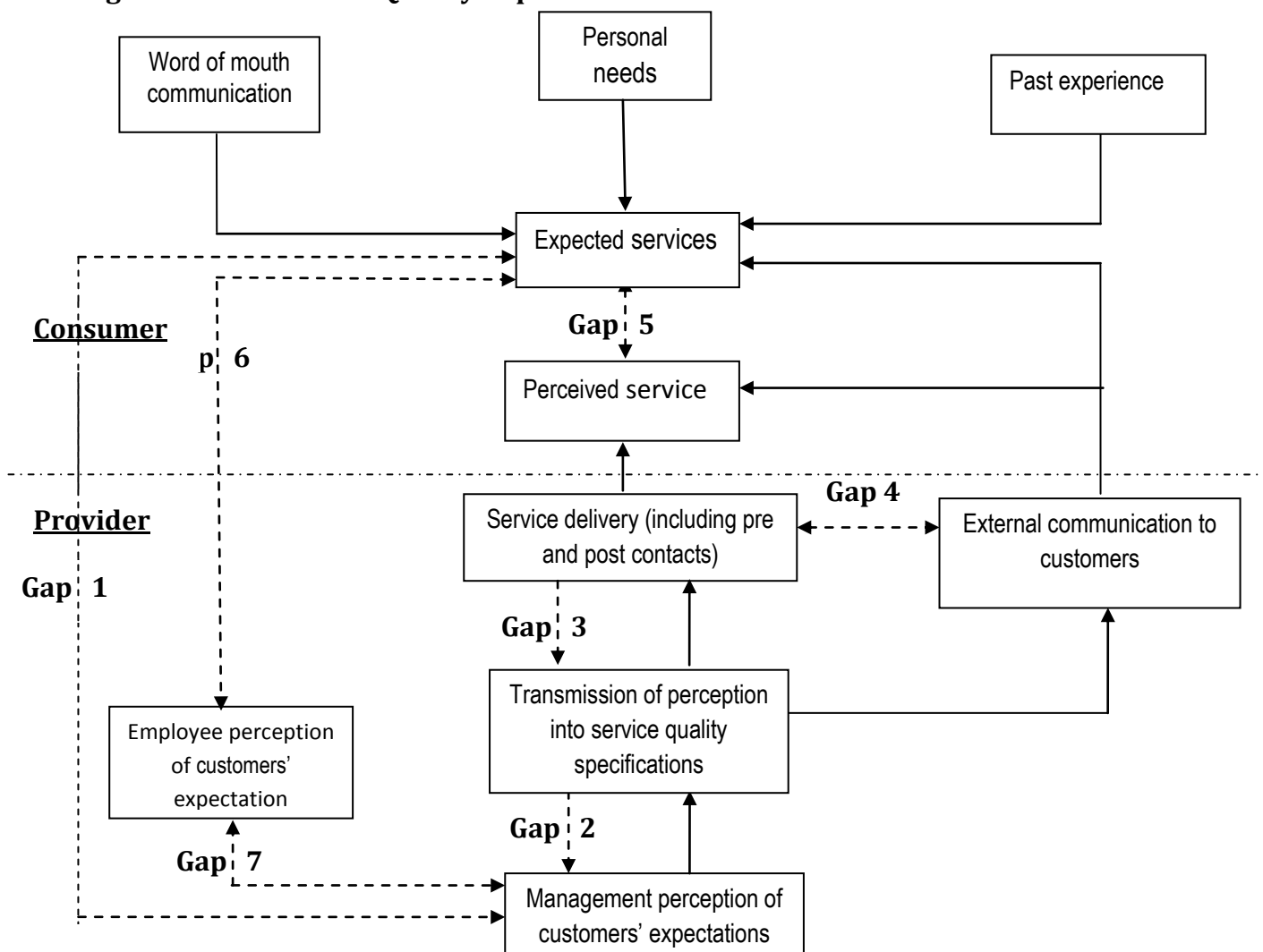
Model of Service Quality Gaps

Service performance gap occurs when there is a mismatch between customers' expectations and the actual service perceived (Igbojekwe, 2009). There are seven major gaps in the service quality concept. The model is an extension of Parasuraman *et al* (1985). According to ASI Quality Systems, (1992); Curry, (1999); Luk and Layton, (2002), the three important gaps, which are more associated with the external customers, are Gap1, Gap 5 and Gap 6; since they have a direct relationship with customers.

- **Gap 1** is the gap between what the customer expects and what the company's management thinks customers expect.
- **Gap 2** is the gap that occurs when management fails to design service standards that meet customer expectations.
- **Gap 3** occurs when the company's service delivery systems – people, technology and processes – fail to deliver to the specified standard

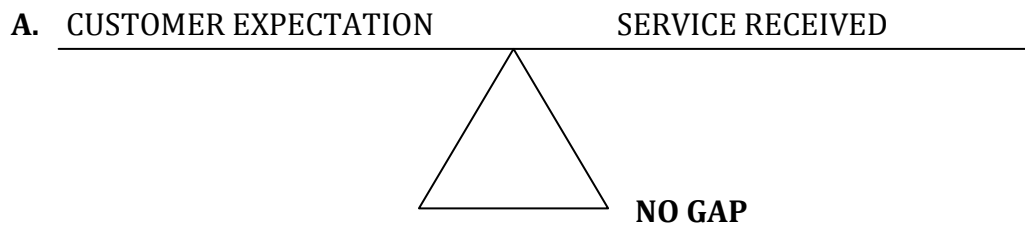
- **Gap 4** occurs when the company's communications with customers promise a level of service performance that people, technology and processes cannot deliver.
- **Gap 5:** this is the discrepancy between customer expectations and their perceptions of the service delivered as a result of the influences exerted from the customer side and the shortfalls (gaps) on the part of the service provider. In this case, customer expectations are influenced by the extent of personal needs, word of mouth recommendation and past service experiences.
- **Gap 6:** this is the discrepancy between customer expectations and employees' perceptions as a result of the differences in the understanding of customer expectations by front-line service providers.
- **Gap 7:** this is the discrepancy between employee's perceptions and management perceptions as a result of the differences in the understanding of customer expectations between managers and service providers.

Fig. 1 Model of Service Quality Gaps

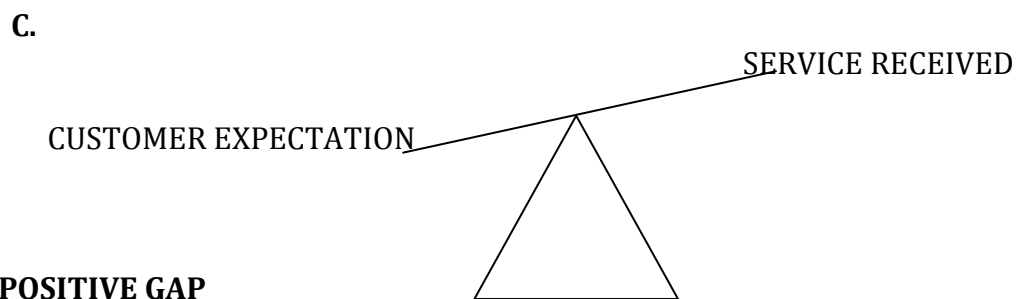
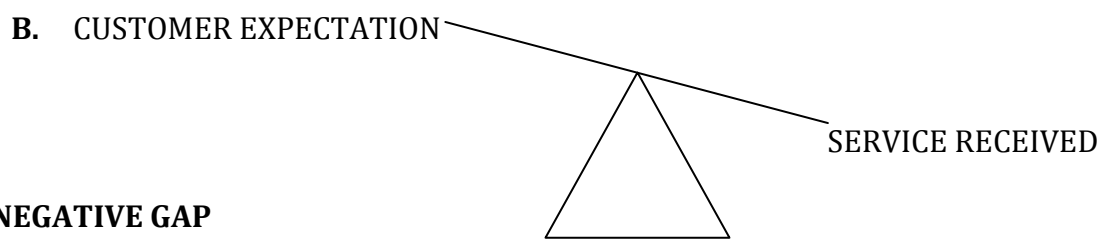


Source: Luk and Layten (2002)

Igbojekwe (2009) produced a simple demonstration of service quality gaps using a seesaw diagram as shown below:



Here customers' expectations have been met



Here, the expectations of the customers have been surpassed

According to Igbojekwe (2009), if the service performance matches the customers' expectation, there would be no service performance gap and the customer would be satisfied. If the service exceeds the customers' expectation, he would be satisfied. On the other hand, the customer would be dissatisfied if the service falls short of his expectations. Obviously, all customer care policies are aimed at achieving a positive performance gap at a minimum or no service performance gap. Where the perceived performance is better than expectations but below the minimum required level of performance, the customer may experience satisfaction. However when performance is the same as expectations and confirms a low performance activity, customers may not be satisfied. The individual is not likely to feel disappointed but the service level does not reduce the need for consumer to search for a better alternative service when next the need arises.

Igbojekwe (2009) identified communication gaps such as failure to deliver on promises made, failure to keep customers informed, failure to communicate in the way that the customer will understand and failure to listen to customers' opinions as well as

marketing myopia and viewing customers as statistics as the core causes of service quality problems in hospitality organizations.

SERVQUAL Methodology

SERVQUAL as the most often used approach for measuring service quality has been to compare customers' expectations before a service encounter and their perceptions of the actual service delivered (Gronroos, 1982; Lewis and Booms, 1983; Parasuraman *et al*, 1985). The SERVQUAL instrument has been the predominant method used to measure consumers' perceptions of service quality. According to van Iwaarden *et al*, (2003), it has five generic dimensions or factors and these are stated as follows:

1. *Tangibles*: Physical facilities, equipment and appearance of personnel.
2. *Reliability*: Ability to perform the promised service dependably and accurately.
3. *Responsiveness*: Willingness to help customers and provide prompt service.
4. *Assurance*: (including competence, courtesy, credibility and security). This has to do with the knowledge and courtesy of employees and their ability to inspire trust and confidence.
5. *Empathy (including access, communication, understanding the customer)*: Caring and individualized attention that the firm provides to its customers.

It is important to note that without adequate information on both the quality of services expected and perceptions of services received, feedback from customer surveys can be highly misleading from both a policy and an operational perspective.

SERVQUAL can be used or adapted to measure service quality in variety of service settings. An advantage is that it can be used to compare competitors' performance to the performance of an organization.

This method could be used for internal marketing. It is based on the idea that every individual in an organisation, particularly a service organisation like a hospitality establishment, should recognise that it has customers to serve. There is a positive link between internal service quality and external service quality and hence customer satisfaction, customer loyalty and the profitability of the organisation. Market research can be adopted for use with employees. Personnel can be given the opportunity to give feedback to management about working conditions, company policy in general and workers' own understanding about what comprises quality for the customer. The relationship between organisational subunits and their relationship with top management are also important. This can be assessed by SERVQUAL instrument. The concept of measuring the difference between expectations and perceptions in the form of the SERVQUAL gap score prove very useful for assessing levels of service quality. Parasuraman *et al*, (1985) argue that, with minor modification, SERVQUAL can be adapted to any service organization. They further argue that information on service quality gaps can help managers diagnose where performance improvement can best be targeted. The largest negative gaps, combined with assessment of where expectations are highest, facilitate prioritization of performance improvement.

Other Reasons Why SERVQUAL is Important to Hospitality Organizations

Though SERVQUAL has been extensively criticized on both theoretical and operational grounds according to Buttle, (1996), Asubonteng *et al*, (1996) however posit that: "until a better and equally simple model emerges, SERVQUAL will predominate as a service

quality measure". As Gaster (1995) commented, because service provision is complex, it is not simply a matter of meeting expressed needs, but of finding out unexpressed needs, setting priorities, allocating resources and publicly justifying and accounting for what has been done. Service organizations like hospitality establishments are responsible and accountable to citizens and communities as well as to customers and service users. A particular advantage of SERVQUAL is that it is a tried and tested instrument which can be used comparatively for benchmarking purposes (Bryceland and Curry, 2001). SERVQUAL does benefit from being a statistically valid instrument as a result of extensive field testing and refinement. It therefore escapes the pitfall of being perceived by service users and providers as "something that has been invented off the top of the head" or a questionnaire that has been skewed to elicit certain types of response. As a generic and universally-applicable instrument, SERVQUAL can also be administered on a repeated, regular basis and used for comparative benchmarking purposes. To appreciate more fully the benefits of using SERVQUAL, surveys should be conducted every year, for the following reasons:

- to allow yearly comparisons;
- to determine how service improvements have affected customers' perceptions and expectations of the service over time; and - to determine the effectiveness of service development and improvement initiatives in targeted dimensions.

CONCLUSION AND RECOMMENDATIONS

Just as the SERVQUAL instrument is extensively used to assess external service quality, the instrument can also be modified to assess the quality of the internal service provided by departments or divisions within a hospitality outfit to employees in other departments or divisions. Hospitality establishments can at least assess five dimensions of service quality to ascertain the level of services provided, and to determine which dimensions need improvement. In order to improve service quality, it is necessary to contact employees regularly and assess their service experiences. Like the external customer, an internal customer too considers categories of service attributes, such as reliability and responsiveness, in judging the quality of the internal service. With the knowledge of the internal service quality dimensions, hospitality organizations can then judge how well the organization or employees performed on each dimension and managers could identify the weakness in order to make improvements. This can be done through the assessment of customers' perception of service quality using questionnaires. Improvements in service quality delivery can be accomplished through training and retraining of new and existing employees as well as train the trainers programmes.

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