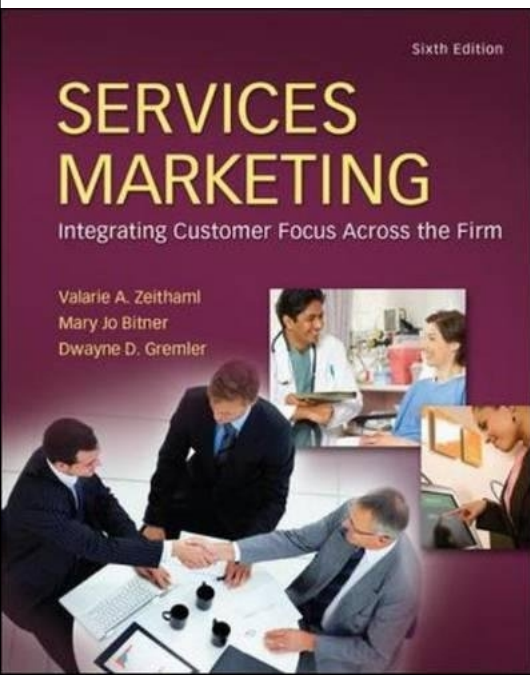


Services Marketing

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Putting It All Together: The Big Picture (Lecture 13)

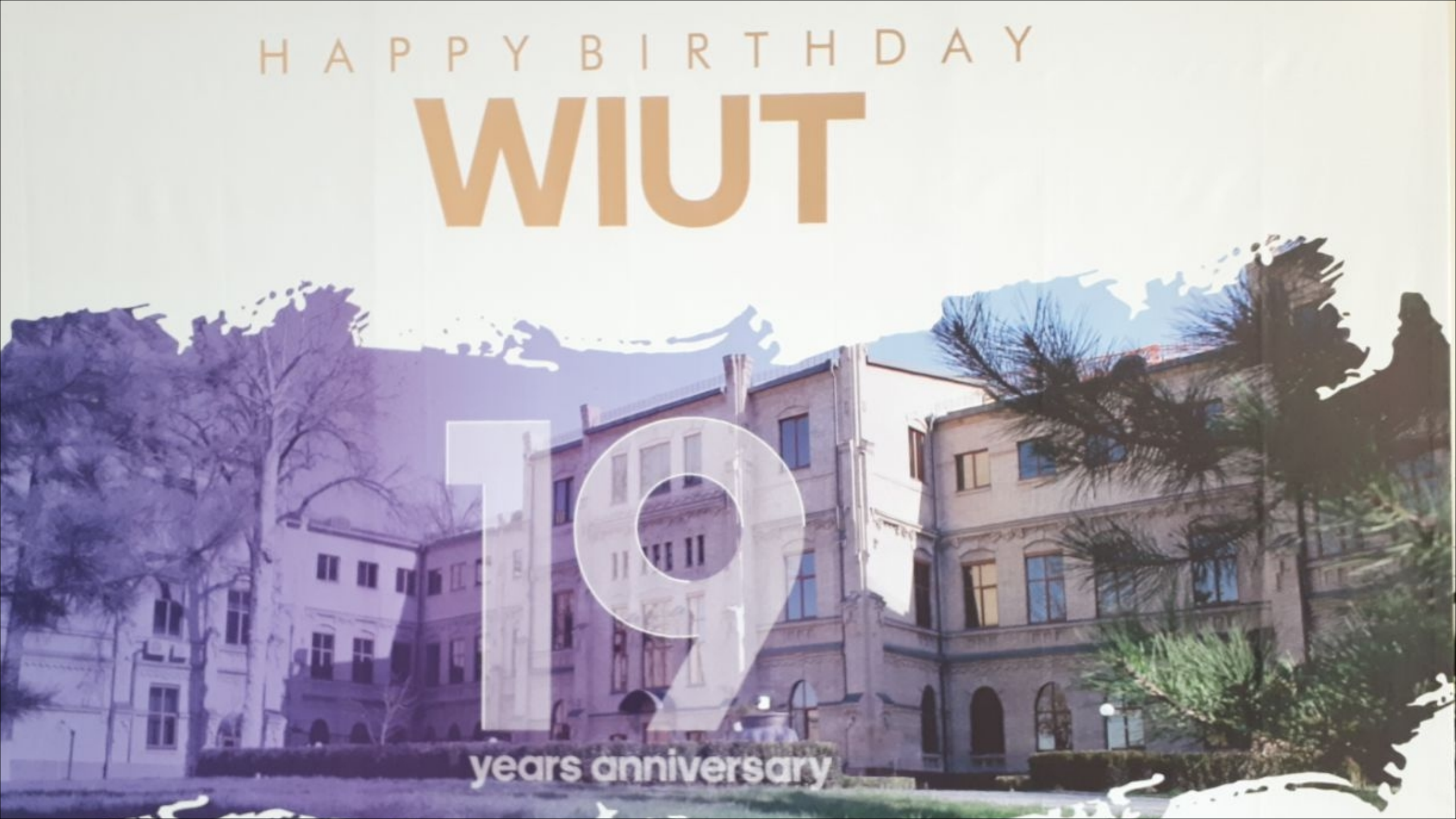


H A P P Y B I R T H D A Y

WIUT

10

years anniversary



I don't claim to be a super teacher, however...



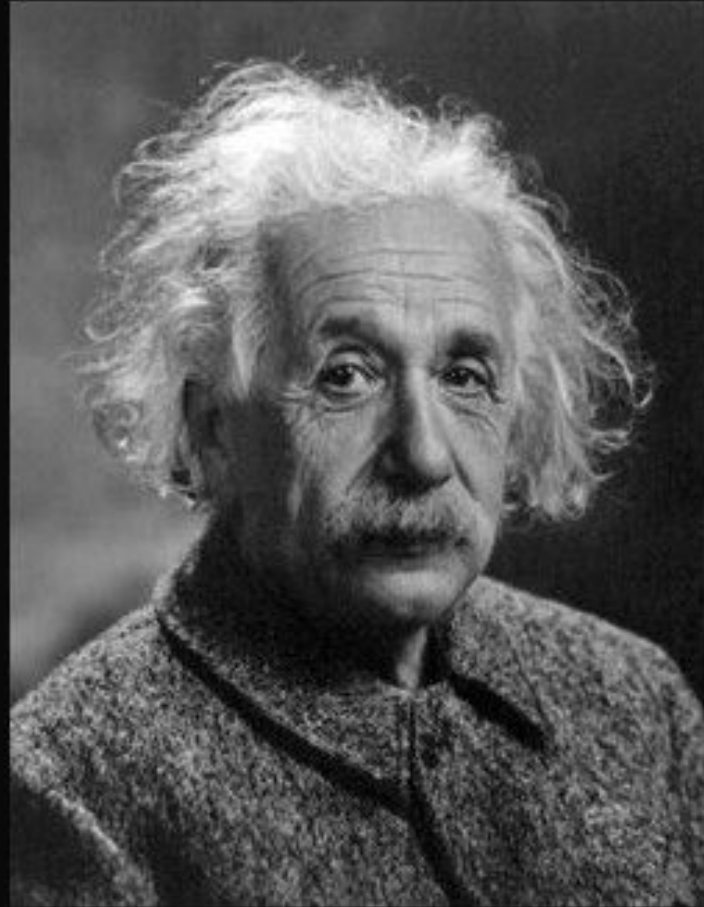
Teach reflects as Learn!





WESTMINSTER
INTERNATIONAL
UNIVERSITY
IN TASHKENT





Education is what remains after one has forgotten what one has learned in school.

(Albert Einstein)

izquotes.com

The Gaps Model of Service Quality

- Executives of services organizations have long struggled with how to approach service design and delivery in an organized manner. The dominant approach to viewing the delivery of service quality in a structured and integrated way is called the gaps model of service quality (Parasuraman, Zeithaml, and Berry, 1985).
- The gaps model positions the key concepts, strategies, and decisions in delivering quality service in a manner that begins with the customer and builds the organization's tasks around what is needed to close the gap between customer expectations and perceptions.
- The gaps model provides a comprehensive and integrating framework for delivering service excellence and customer-driven service innovation.

Gaps Identified

The following four provider gaps are the underlying causes behind the customer gap:

Gap 1 - The listening gap

Gap 2 - The service design and standards gap

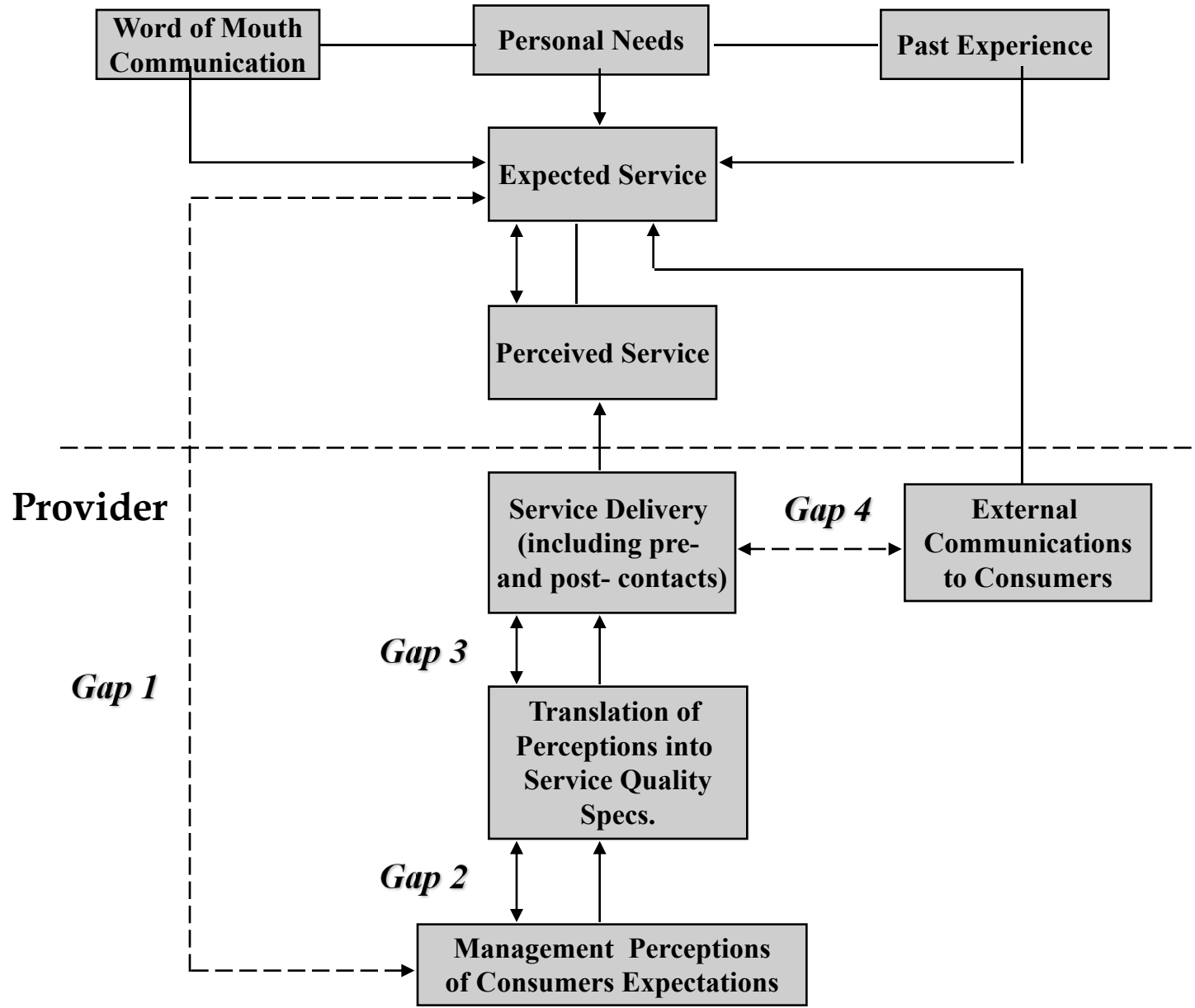
Gap 3 - The performance gap

Gap 4 - The communication gap.

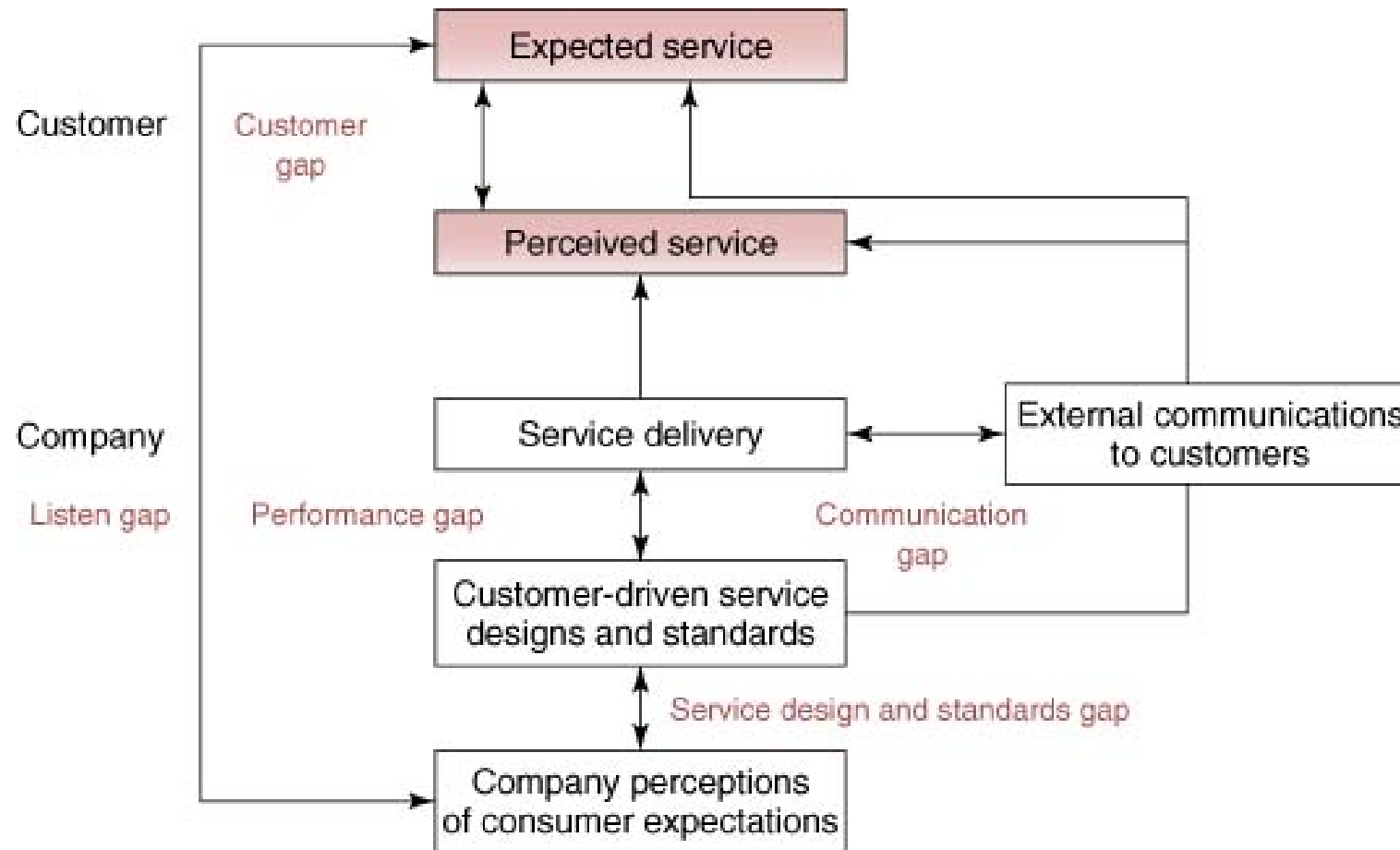
Gaps Explained

- Customer Gap:
 - difference between expectations and perceptions
- Provider Gap 1:
 - not knowing what customers expect
- Provider Gap 2:
 - not having the right service designs and standards
- Provider Gap 3:
 - not delivering to service standards
- Provider Gap 4:
 - not matching performance to promises

THE GAPS MODEL OF SERVICE QUALITY



The Gaps Model of Service Quality



Dimensions of service quality

Assurance - Knowledge and courtesy of employees and their ability to inspire trust and confidence.

Empathy - Caring, individualized attention the firm provides its customers.

Reliability - Ability to perform the promised service dependably and accurately.

Responsiveness - Willingness to help customers and provide prompt service.

Tangibles - Appearance of physical facilities, equipment, personnel, and communication materials.

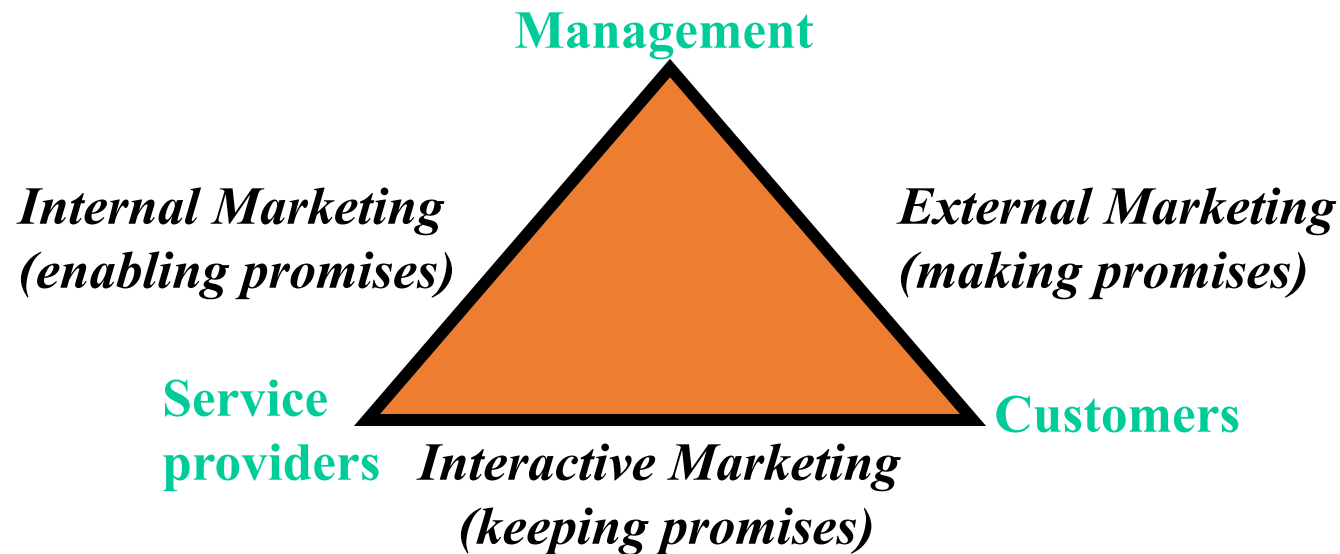
SERVQUAL

- The five dimensions of service quality have been captured in a questionnaire called SERVQUAL, consisting of a total of 21 items measuring these dimensions.
- The SERVQUAL measure has been applied in and adapted to many industry settings. Related streams of research have developed in parallel to study service encounters, customer satisfaction, customer loyalty, and their relationships with service quality. None of these now-prominent streams of research existed prior to the 1980s, and all continue to spawn research today.

THE SERVICES MARKETING TRIANGLE

- The Services Marketing Triangle shows the three interlinked groups that work together to develop, promote and deliver services.

Adapted from
Bitner 1995



- ❖ **Expected service \leq performance = satisfied customer**
- ❖ **Expected service $>$ performance = unsatisfied customer**
- ❖ **Expected service is a f (past experiences, marketing communications, peers, etc.)**
- ❖ **Performance = f (expected service, perceived service)**

Managing customer satisfaction;

- ❖ **Perceived service, not actual service, is all that matters (*Perception is Reality*).**
- ❖ **Possible to manage expectations to produce satisfaction without altering the service.**

Importance of customer satisfaction;

- ❖ **Without customers the firm does not exist.**
- ❖ **Service businesses must engage in proactive customer satisfaction observation.**
- ❖ **Waiting for complaints is simply too slow.**

The most important formula in marketing

$$\mathbf{CS = P - E}$$

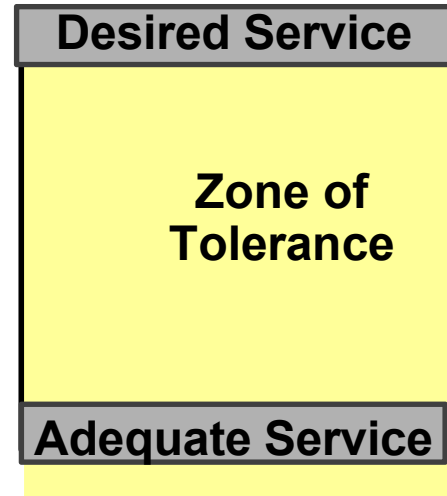
CS - Customer Satisfaction

P - Performance

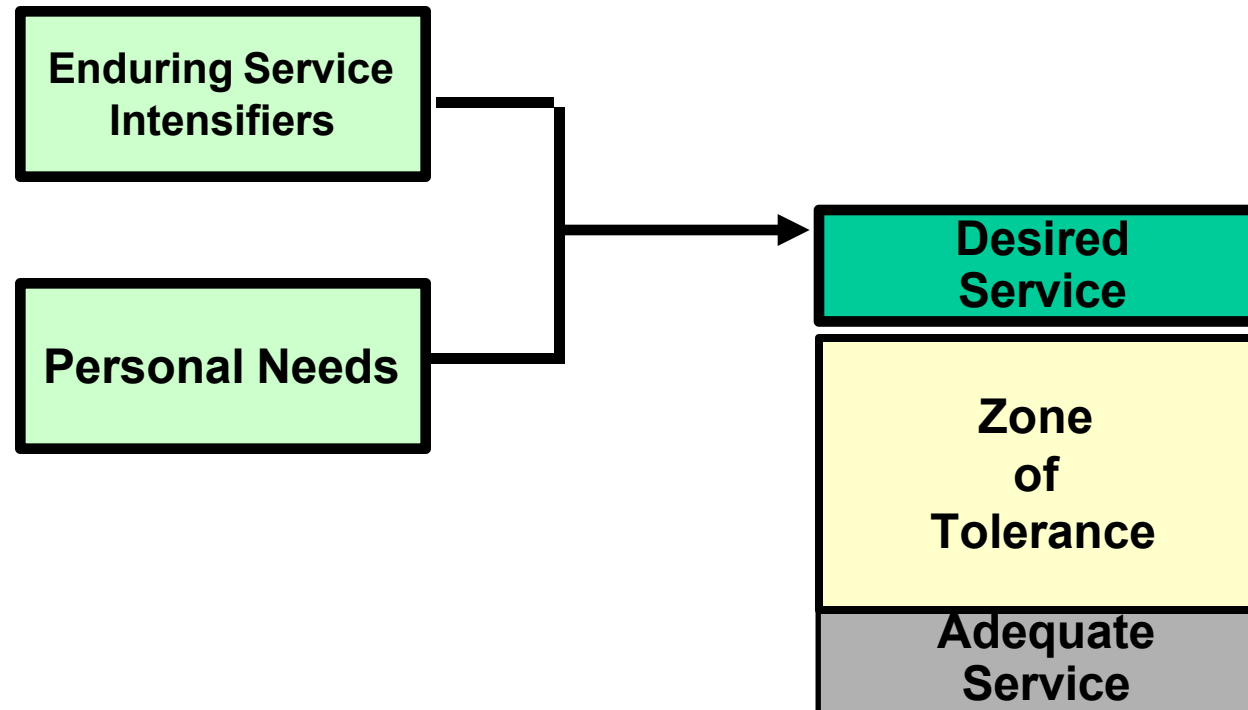
E - Expectation

Dual Customer Expectation Levels

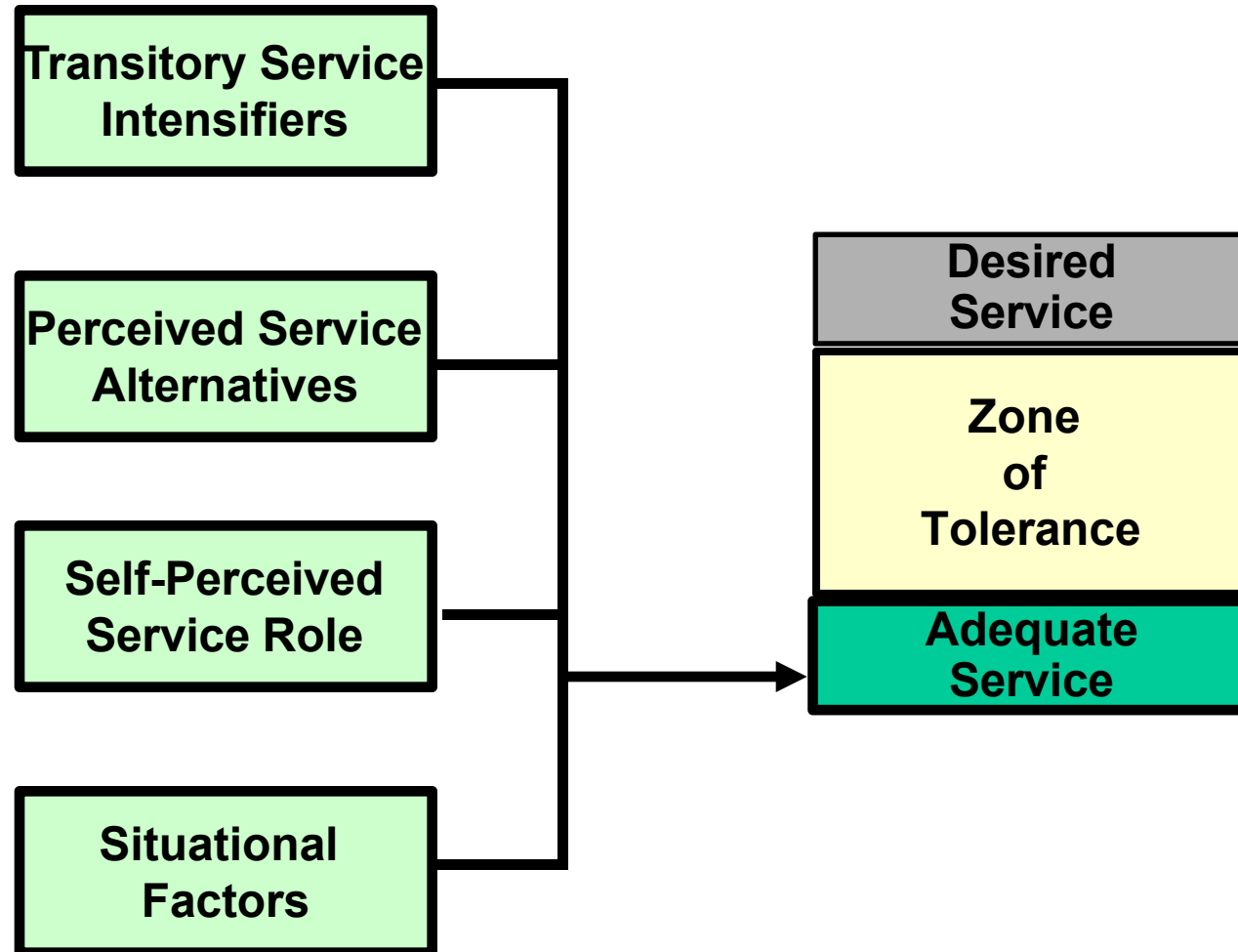
(Two levels of expectations)



Factors that Influence Desired Service

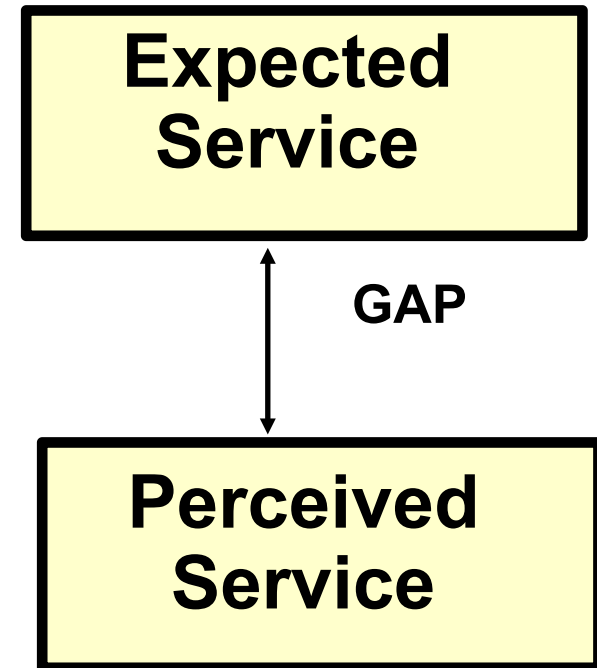


Factors that Influence Adequate Service



The Customer Gap

- As depicted in the model, a firm's primary goal should be to meet or exceed customer expectations, and strategies used to achieve that objective (whether operations, human resource, or technology-based) are all focused on the customer.
- Every gap and every strategy used to close the gaps in the model retains a focus on the customer at its core.

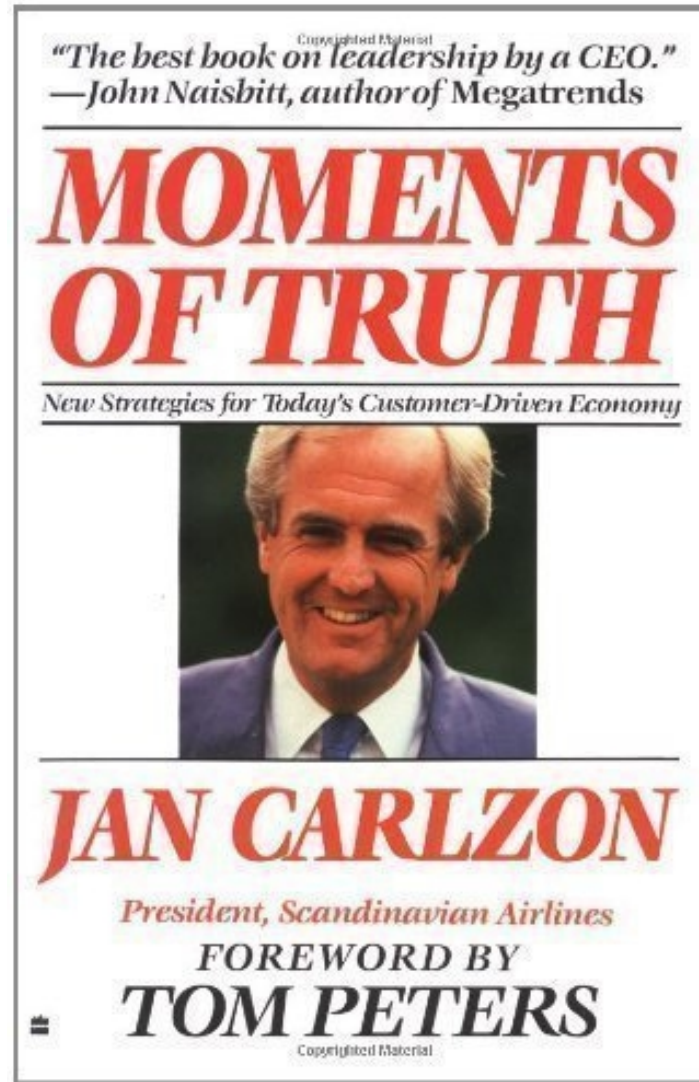


“Moments of truth” defined

- Moment of truth (MOT) in marketing, is the moment when a customer/user interacts with a brand, product or service to form or change an impression about that particular brand, product or service.



“Moments of truth”



Criteria for An Effective Services Research Program

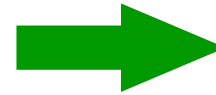


Portfolio of Services Research

Research Objective

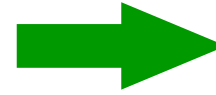
Type of Research

Identify dissatisfied customers to attempt recovery; identify most common categories of service failure for remedial action



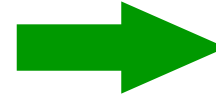
Customer Complaint Solicitation

Assess company's service performance compared to competitors; identify service-improvement priorities; track service improvement over time



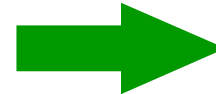
"Relationship" Surveys

Obtain customer feedback while service experience is still fresh; act on feedback quickly if negative patterns develop



Post-Transaction Surveys

Use as input for quantitative surveys; provide a forum for customers to suggest service-improvement ideas



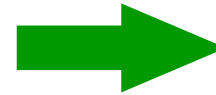
Customer Focus Groups

Measure individual employee service behaviors for use in coaching, training, performance evaluation, recognition and rewards; identify systemic strengths and weaknesses in service



"Mystery Shopping" of Service Providers

Measure internal service quality; identify employee-perceived obstacles to improve service; track employee morale and attitudes



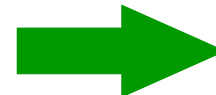
Employee Surveys

Determine the reasons why customers defect



Lost Customer Research

To forecast future expectations of customers
To develop and test new service ideas



Future Expectations Research

Customer Complaint Solicitation

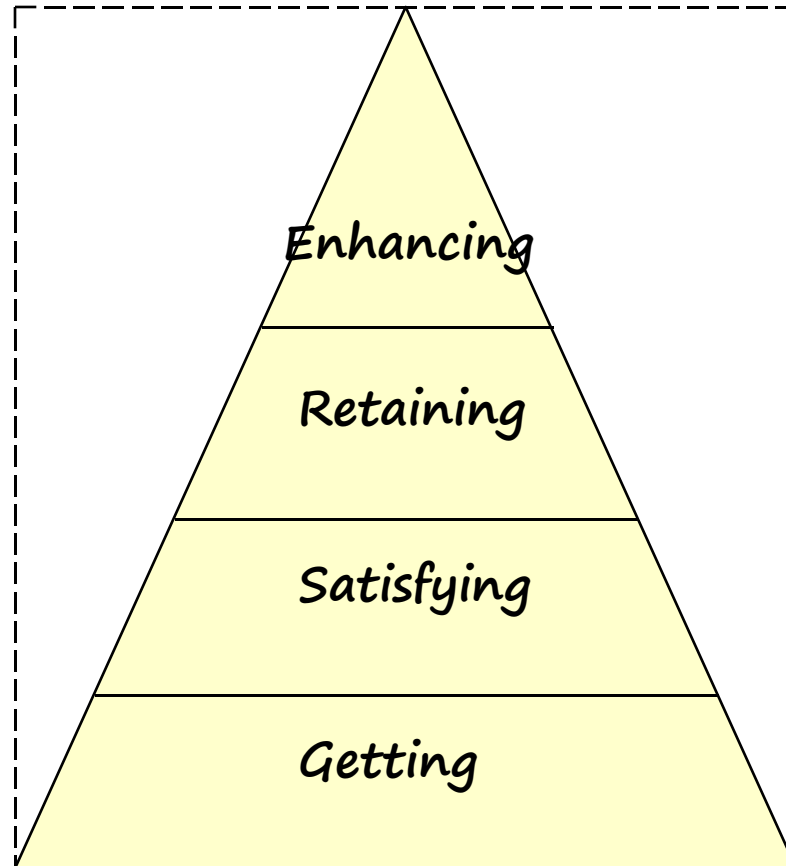


“We’re seeing a significant drop in customer complaints since we stopped answering our phones.”

Relationship Marketing

- is a philosophy of doing business that focuses on keeping and improving current customers
- does not necessarily emphasize acquiring new customers
- is usually cheaper (for the firm)--to keep a current customer costs less than to attract a new one
- goal = to build and maintain a base of committed customers who are profitable for the organization
- thus, the focus is on the attraction, retention, and enhancement of customer relationships

Customer Goals of Relationship Marketing



References:

- **Textbook:** Zeithaml, Valarie, Mary Jo Bitner, and Dwayne Gremler (2013), **Services Marketing** 6th International Edition, Irwin/McGraw-Hill Publishing. (Other editions will also work, but you are responsible to compare your edition to the 6th - because the syllabus was written for the 6th edition.)

**THANK YOU FOR YOUR
ATTENTION!**