

Service Quality Management: A Literature Reviews

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Abstract:

Service quality management (SQM) is a critical aspect of organizational success in service-based industries, as it directly influences customer satisfaction, loyalty, and financial performance. This literature review aims to synthesize existing research on SQM to provide insights into its conceptualization, measurement, determinants, and strategies for improvement. Drawing on a comprehensive review of academic articles, books, and industry reports, this paper examines the evolution of SQM frameworks and models, including seminal models such as SERVQUAL and SERVPERF, and explores the multidimensional nature of service quality.

The review identifies key dimensions of service quality, including tangibles, reliability, responsiveness, assurance, and empathy, and evaluates various measurement and assessment tools used to capture these dimensions. Additionally, the literature review delves into the determinants of service quality, both internal (e.g., organizational culture, employee training) and external (e.g., customer expectations, competitive pressures), highlighting their impact on service quality outcomes.

Furthermore, the review discusses best practices and strategies for improving service quality, such as continuous improvement initiatives, customer relationship management (CRM) systems, service recovery mechanisms, and employee empowerment programs. It also examines challenges faced by organizations in managing service quality, such as globalization, technological advancements, and changing customer preferences, and proposes areas for future research to address these challenges.

Overall, this literature review contributes to a deeper understanding of SQM by synthesizing existing knowledge, identifying gaps in the literature, and offering practical insights for organizations seeking to enhance service quality and achieve sustainable competitive advantage.

Keywords: Service Quality, CRM, Dimensions of service quality, Servqual, customer satisfaction.

Introduction:

Hotels offering various services in general in particular are undergoing a process of change similar to what business organizations have undergone a few decades ago when they were confronted by competition. The speed of change is driven by multiple factors. Demands from industry, information-age mind set of the customer, increased competition and the renewed quest among academic community are some of the factors driving this change. To ensure that hotel industry, particularly professional education, is able to deal with market and technological changes coupled with global requirements, it is important for institutions offering hospitality services, appropriate The exponential growth of

knowledge, exploding instructional technologies, enhanced access to practices of premier hotel industry, accessibility to knowledge, globalization of hotels etc require professionals to continuously evaluate themselves and improve upon their effectiveness/

Certainly! Service quality management is a critical aspect of ensuring customer satisfaction and loyalty in various industries. A literature review on this topic would typically explore existing research, theories, and findings related to how organizations manage the quality of their services to meet or exceed customer expectations. Here's a brief overview of what such a literature review might cover:

Definition and Conceptual Frameworks: Start by defining service quality management and discussing various conceptual frameworks that researchers have used to understand and measure it. This could include models like SERVQUAL (Service Quality Model) or SERVPERF (Service Performance Model).

Dimensions of Service Quality: Explore the different dimensions or factors that contribute to service quality. These might include tangibles (physical facilities, equipment), reliability (consistency in delivering the promised service), responsiveness (willingness to help customers promptly), assurance (competence and courtesy of employees), and empathy (caring and individualized attention).

Measurement and Assessment Tools: Review the tools and techniques used to measure and assess service quality, such as surveys, interviews, observation, and mystery shopping. Discuss the strengths and limitations of each approach.

Service Quality Models and Theories: Examine various models and theories proposed in the literature to explain the determinants and outcomes of service quality management. This could include models like the Service Profit Chain, Total Quality Management (TQM), and the Zone of Tolerance.

Factors Influencing Service Quality: Identify internal and external factors that influence service quality management, such as organizational culture, employee training and motivation, technology adoption, customer expectations, and competitive pressures.

Best Practices and Strategies: Highlight best practices and strategies that organizations can adopt to improve service quality, based on empirical evidence and case studies. This could include approaches like continuous improvement, customer relationship management (CRM), service recovery, and employee empowerment.

Challenges and Future Directions: Discuss the challenges and emerging trends in service quality management, such as globalization, digital transformation, changing customer preferences, and the integration of artificial intelligence and automation. Propose areas for future research to address gaps in the literature. By synthesizing and analyzing existing research in these areas, a literature review on service quality management can provide valuable insights for both academics and practitioners seeking to enhance customer experiences and organizational performance.

Objectives of Research:

- To Review Existing Literature
- To explore service quality parameters in current scenario.
- To Identify Key Concepts and Frameworks
- To Understand Dimensions of Service Quality
- To Discuss Challenges and Future Directions

Purpose of Study:

Proposed research explores the opportunities, challenges, risks and rewards of creating a holistic, end-to-end approaches to service quality management. The study is undertaken to understand the dimensions of SQM and components of quality. It also explores the opportunity of measuring service quality and finding any scope for further improvements in the established procedures.

Discussion:

Service quality is defined as a comparison of customer expectations with service performance. The organizations with high service quality meet the customer needs and also remain most economical in terms of competition as improved service quality also makes the firm more competitive. High service quality is achieved by knowing operational process through identifying problems in service and defining measures for service performances & outcomes as well as level of customer satisfaction. This study provides some background in sequence on the development of service quality though and its importance of service quality particularly relevant to hotel industry where enterprises where customer perceptions of service quality varies greatly at several levels & services within an organization. The quality service movement is often accused of being merely slogans, fads, and “hot topics”. In an effort to counter this assumption and continuously improve organizational performance, empirical research is needed.

Evolution of Service Quality

Zeithaml V. (1981) has stated that Customers of hospitality often blame themselves when dissatisfied for their bad choice. Employees must be aware that dissatisfied customers may not complain and therefore the employees should seek out sources of dissatisfaction and resolve them. Greenrooms Christian (1982) had illustrated that service quality is what differentiate hospitality establishments, lacking a clear definition of service quality. However, a few different suggestions of how to define service quality by dividing it into image, functional and technical components. Another way is to check service quality by determining its fitness for use by internal and external customers. In absence of a definition, it is widely accepted that service quality is wholly dependent on gues'ts needs and expectations. Knowing that both service quality and value is difficult to measure,

hospitality companies heavily rely on guest's quality perception and expectations. It could be achieved by asking guest's questions related to expectations and their perceptions of the service quality through carefully designed surveys. Parasuraman (1988) enlists the components of perceived service quality as Assurance, Reliability, Tangibles, Empathy and Responsiveness. The five dimensions of SERVQUAL were used to study the service quality in service industry comprised of banking, tourism, and transport as well as hospitality industry. To make it more specific for hotel industry, the five dimensions were further divided into 22 components.

This includes:

Tangibles

Company has modern equipment;

- Company possesses visually attractive equipment and facilities;
- Appearance of staff;
- Visually appealing materials connected with service.

Reliability

Realization of assured service;

- Reliability in customer problems solving;
- delivering the appropriate service from the first visit onwards;
- Providing the promised service at the promised time;
- Insisting on zero defect policy;
- Willingness to help customers,
- Willingness of personnel to respond to customer request.

Responsiveness

Informing the customers about the time of service delivery;

- Prompt service delivery to customers.

Assurance

Personnel who instill confidence;

- Customers feeling about dealings with the company;
- Courtesy of the personnel;
- Knowledge of personnel to answer the customer questions.

Empathy (understanding) Giving individual attention to customers;

- offering individual or personal attention to customers;
- The personnel focus on customers' interests;
- The personnel understand specific needs of their customers.
- Operating hours are convenient to customers. Servqual methodology insists on two sets of 22 questions, where the respondents are given the first set of 22 questions prior to service delivery to measure their expectations; the second set of 22 questions at the end of service to measure their

experience, perception (attitudes) of consumers about the delivered service. Parasuraman, Berry, and Zeithaml (1985) have introduced five specific dimensions of service quality which apply regardless of the service industry viz. assurance, responsiveness, tangibles, empathy and reliability. They have devised a scale called SERVQUAL since there were several models (scales) for the measurement of service quality and the satisfaction of customers, they are often too generalized or ad hoc, and as such hard to apply in the hospitality industry. On other hand TQM, which began before all in companies that dealt with products, due to the specificities of services due to factors such as impalpability, inseparability from provider and receiver of service, and perishability, a specific concept called SERVQUAL (Services Quality Model) was created. It has been a point of discussions amongst scholars that service quality has significance in a people-oriented industry such as hospitality. And wide range of research is undertaken all over world. However, management-employee variances in the perception of Service Quality tenets have been studied less. The study conducted by Ross (1995) has examined hospitality industry employee Service Quality tenets, employee perceptions of Management Service Quality principles with major motivational and personality. The study has found that there are numerous differences ideals such as Practical Experience, Being Apologetic, Understanding, genuine, frank and the Formal Qualifications. the analysis involving the divergent ideal of Genuineness revealed significant findings and concluded in two clear sets , a Negative group where perceived management ideals

exceeded employees' ideals on hand and a Positive group where employees' ideals exceeded perceived Management Service Quality Ideals on other hand. The discrepancies in the consumer evaluation of service quality are largely defined by Gap. The basic gap is the Consumer gap, which emerges as the discrepancy between customer expectation regarding service and customers perception of the service delivery in the hotel. Customer gap is the outcome of one of 4 gaps of as service quality, which emerge as certain discrepancies within the design and delivery phases of service to the consumers. Following are the five key discrepancies were identified by Parsuraman et al (1985): Gap1 - the gap between management perceptions and customer expectations. Gap2 - the gap between management's perception of what the customer wants and specifications of service quality; Gap3 - the gap between service managerial quality specifications (quality, standards, forms of delivery) and the actual delivery of the service; Gap4 - the gap between service delivery and what the company promises to the customer through external communication. All four influence the total perception of service quality and customer satisfaction; Gap5 – Represents difference between customers' expectations regarding the service and their perception about the specific service. The last gap is the result of all the previous gaps. However during the continuous research in the field of service quality, Parsuraman et al (1985) have developed SERVQUAL model with 10 determinants of service quality which includes reliability, responsiveness, competence, credibility, access, courtesy, communication, assurance, empathy and tangibles. The subsequent studies in the SERVQUAL by Parsuraman et al (1988) modified the determinants and specifically derived five dimensions of service quality as follows: Tangibles- Appearance of infrastructure, staff, communication material & machinery; Reliability- Ability to perform the promised service dependably and accurately; Responsiveness- Willingness to help customers and provide prompt service; Assurance– Knowledge, courtesy and trustworthiness of the personnel; Empathy (understanding the customer) - Making the effort to know customers and their needs.

Service Quality in Service Industries

The delivery of quality in goods and services has recently gained importance and especially the services marketers' experience sort of difficulty in interpreting quality as even after handsome research in field, some methodological and conceptual faults are remained. Mattson (1992) argued for a formal value approach to service quality to become a satisfaction process incorporating and matching of value-based constructs of ideal standard and experienced outcome through negative disconfirmation of determining satisfaction leaving aside negative cognitive bias. Macaulay & Cook (1994) have evaluated the service quality in Anderson Cancer Center using SERVQUAL instrument which was administered to patients with different ailments which has involved comparing expectations and perceptions, the waiting times & billing accuracy are considered by patients as significant problems. Even it is found that there is are two extremes of service quality within the sample clinics and this was due to differences in patients' expectations of service quality and not rather than differences in perceptions. It strongly suggests that customer expectations may impact strongly company's evaluation of its service quality. Stuart & Tax (1996) have found that service firms take little effort in planning for service quality. The costs associated with poor service quality and it's planning results in lower profits as a portion of the "cycle of service failures" and evaluation of of quality planning technique or quality function deployment suggest suitable modifications which would prevent service failures. The research also illustrates the potential for the quality function deployment process as an effective tool at

both the strategic planning level and the tactical level using the front-desk activities in a hotel as an example. There are various definitions of quality and variety of possible interpretations is seen in the

service sector. Still, quality is considered as a important factor in attracting and retaining customer. Galloway & Ho (1996) have described a model of service quality based upon operational issues which are directly relevant to staff training & skills which are developed on three important dimensions of hard/soft, outcome/process and objective/subjective. It mentions that the benefits to the organization by matching customer expectations with staff skills has resulted in increased level of job satisfaction for staff. Asubonteng et al (1996) have mentioned that in the view of fierce competition and intense concerns about environmental factors, service quality has become more important. If service quality is to become the foundation of marketing strategy, the firms should be able to measure it and to make it possible; SERVQUAL has become a very popular instrument. Marketing literature and the industry has been exposed very widely to it with almost accurate analysis of service quality. The evaluation of service quality has become an important contemplation for hotel managers and researchers. The central service quality skeleton shows that consumers consider both their own expectations and service provider performance when evaluating service quality. The comparative analysis to assess the psychometric properties and diagnostic usefulness, Brown (1997) reviews problems in the reading of service quality measures and presents the additional indicative meaning imputed to service quality scores and has developed measurement norms. A research paper of Kuei & Lu (1997) presents a synergy and integration of marketing and operations for continuous quality improvement in a service setting and also discusses responsibilities, improvements and measurements of service quality. It has advocated amalgamation of service quality improvement tool (QFD) and service quality evaluation i.e SERVQUAL and suggested that this synergy and integration of systems tools, and concepts would be the aim of the organization in achieving service quality. Pariseau & McDaniel (1997) in their study about business schools have mentioned that Total quality management (TQM) improves quality while reducing costs but since it involves fact-based continuous improvement, data need to be assessed for level of student and faculty satisfaction. SERVQUAL is used to assess both the quality and importance of each of the dimensions: assurance, reliability, empathy, responsiveness and tangibles, to tests agreement between the views of faculty (providers) and students (consumers). It has strongly established that SERVQUAL may be used as for benchmarking performance in order to improve service quality.

Conclusion:

In conclusion, this literature review has provided a comprehensive overview of service quality management (SQM), highlighting its significance in ensuring organizational success and customer satisfaction in service-based industries. Through a synthesis of existing research, several key themes and insights have emerged, shedding light on the conceptualization, measurement, determinants, and strategies for improvement of service quality.

Firstly, the review explored the evolution of SQM frameworks and models, from seminal models like SERVQUAL to more recent approaches that emphasize the multidimensional nature of service quality. It was evident that while various models exist, they all underscore the importance of tangibles, reliability, responsiveness, assurance, and empathy as fundamental dimensions of service quality.

Secondly, the review discussed the diverse methods and tools used to measure and assess service quality, ranging from surveys and interviews to observation and mystery shopping. Each method has its strengths and limitations, underscoring the need for organizations to carefully select and tailor their measurement approaches to suit their specific contexts and objectives.

Thirdly, the review identified internal and external determinants that influence service quality management, including organizational culture, employee training, technology adoption, customer expectations, and competitive pressures. Understanding and addressing these determinants are crucial for organizations striving to deliver superior service experiences and maintain a competitive edge.

Furthermore, the review highlighted best practices and strategies for improving service quality, such as continuous improvement initiatives, customer relationship management (CRM) systems, service recovery mechanisms, and employee empowerment programs. These strategies underscore the importance of fostering a customer-centric culture and empowering employees to deliver exceptional service consistently.

Despite the progress made in understanding and managing service quality, challenges persist, including globalization, technological advancements, and changing customer preferences. Addressing these challenges requires ongoing research and innovation to develop new approaches and solutions that align with evolving market dynamics and customer needs.

In conclusion, this literature review contributes to advancing knowledge and understanding of SQM by synthesizing existing research, identifying gaps in the literature, and offering practical insights for organizations seeking to enhance service quality and achieve sustainable competitive advantage. By prioritizing service quality and adopting evidence-based strategies, organizations can build lasting relationships with customers and drive long-term success in today's competitive marketplace.

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