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FINAL THESIS REPORT

The development of customer satisfaction survey tool for outsourcing services business
Manpower Oy

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Abstract

This thesis is a development of customer satisfaction tool for several units in Manpower Oy. It concentrates on the services main features and aims to develop such a tool, which would be suitable for measuring customer satisfaction in different areas of service providing.

The report consists from two main parts: a theoretical part, in which books, online sources and articles were used; and empirical parts in which the commenced survey results are presented.

Manpower Oy is a world leader in the employment services industry. Founded in 1948, company offers employers a range of services for the entire employment and business cycle including permanent, temporary and contract recruitment; employee assessment and selection; training; outplacement; outsourcing and consulting. The focus of Manpower's work is on raising productivity through improved quality, efficiency and cost-reduction across their total workforce, enabling clients to concentrate on their core business activities.

The tool development was discussed and laid out with managers and team leaders of the following units:

During the process of the thesis, the survey was sent to the customers of Testing Services Unit (MBS), Purchase Order Centre (KAS) and Inventory Services Unit (KAS). In that thesis the results of the POC KAS are presented and analysed.

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1. Introduction

1.1 Manpower OY

Manpower Inc. is a world leader in the employment services industry; creating and delivering services that enable its clients to win in the changing world of work. Founded in 1948, the $22 billion company offers employers a range of services for the entire employment and business cycle including permanent, temporary and contract recruitment; employee assessment and selection; training; outplacement; outsourcing and consulting. Manpower's worldwide network of 4,100 offices in 82 countries and territories enables the company to meet the needs of its 400,000 clients per year, including small and medium size enterprises in all industry sectors, as well as the world's largest multinational corporations. The focus of Manpower's work is on raising productivity through improved quality, efficiency and cost-reduction across their total workforce, enabling clients to concentrate on their core business activities. (http://www.manpower.com/about/about.cfm)

1.1.1 Manpower Vision

Vision is to lead in the creation and delivery of services that enable our clients to win in the changing world of work.

1.1.2 Manpower Values

People
We care about people and the role of work in their lives. We respect people as individuals, trusting them, supporting them, enabling them to achieve their aims in work and in life. We help people develop their careers through planning, work, coaching and training. We recognize everyone's contribution to our success – our staff, our clients and our candidates. We encourage and reward achievement.

Knowledge
We share our knowledge, our expertise and our resources, so that everyone understands what is important now and what's happening next in the world of work – and knows

how best to respond. We actively listen and act upon this information to improve our relationships,   solutions   and   services Based on our understanding of the world of work, we actively pursue the development and adoption of the best practices worldwide.

Innovation

We lead in the world of work. We dare to innovate, to pioneer and to evolve. We never accept the status quo. We constantly challenge the norm to find new and better ways of doing things. We thrive on our entrepreneurial spirit and speed of response; taking risks, knowing that we will not always succeed, but never exposing our clients to risk.

1.2 Purpose and problem of the research

The idea of that thesis is to develop a survey tool, which will allow measuring the level of customer satisfaction among several units, performing services in different areas and industries.

The research assignment was discussed and laid out with managers and team leaders of the following units:

- Testing Services, Manpower Business Solutions
- Learning Services, Key Account Solutions
- Printing Services, Key Account Solutions
- Travelling Services, Key Account Solutions
- Purchase Order Center, Key Account Solutions
- Inventory Services, Key Account Solutions
- Communication Services, Key Account Solutions

Survey tool should help units to identify customers' principal service expectations, what is quite valuable for any service company to know.

The questions units' managers and team leaders set to find out in that study were as follow:

- What is general customer satisfaction level among customers?
- What affects customer satisfaction?
- What aspect of the service is the most important for customers?
- What could be done to improve customer satisfaction?

- How high is the loyalty of customers and willingness to recommend?

The survey should help managers make choices among service standards and cut the list of standards to the pivotal ones that will make a difference for a customer. It was discussed that the results should help to highlight the preeminent service aspects and factors to assist in improvement of activities.

Idea behind the tool is to create such questionnaire, which in future would be used by most of the units and will allow comparing the satisfaction of customers between different units.

The goal of that tool, which is the electronic questionnaire, is to gather and analyse as much of responses as possible.

The questionnaire will comprise not more than 10 questions, since it shouldn't be too long. It will be concentrated on the main service aspects like services processes, quality and means of communication, optional comments and feedbacks.

The tool itself will be made in electronic survey designer used by Manpower Inc. - surveymokey.com

1.3 Structure of the research

This work consists from four main parts. First one is a theoretical part concerning the customer satisfaction concept, in which the author will present the definition of customer satisfaction and its importance in services industry. It will follow with explanation of measurement processes and its importance description. Since the purpose of the research is to elaborate the tool for outsourcing services units, there will be special attention given to service concept and its main features, like marketing mix and service system elements. Creating the survey tool for units, which are specialised in providing professional services in different areas, there will be also some overview for services outsourcing given. Third part will include the descriptions of the units, which were done during cooperation with unit's team leaders, and may serve as a marketing material to some of them. Final forth part will present the survey tool, which is the result of that work.

2. Customer satisfaction and its importance in services companies

2.1 Definition of customer satisfaction

No business exists without customers, starting from 1990 customer satisfaction has become the critical component of success. Needless to say about importance of customer satisfaction in services providing companies, where the core activity is exactly his/her satisfaction of needs and requirements is the overall purport of existence.

Starting from general information like customer satisfaction concept definitions, there will be contrary results of satisfaction, like customer's neutral attitude and dissatisfaction presented.

Terry G.Varva defines customer satisfaction as: "Satisfaction is a customer's emotional response to his or her evaluation of the perceived discrepancy between his or her prior experience with and expectations of our product and organisation and the actual experienced performance as perceived after interacting with our organisation and consuming our product. We believe that customers' satisfaction will influence their future reactions toward our organisation (readiness to repurchase, willingness to recommend us, willingness to pay our price without haggling or seeking a lower-cost provider)." (Varva 2002, 5)

That definition of customer satisfaction is quite subjective and here Varva is explaining that from quality control point of view there are possible two different approaches to satisfaction:

a. The conformance approach
Frequently referred to as the engineer's perspective, essentially this perspective deems a product satisfactory if it meets the specifications to which it was produced. (Varva 2002, 5)
b. The exceptional approach
This perspective deems a product satisfactory if it meets the customer's expectations. The problem here is constantly tracking the evolving requirements of customers. (Varva 2002, 5)

Pursuing satisfaction is critical and strategic decision; it is something organisation should do to stay in the business. Top management should follow here three basic rules:

1. Customer satisfaction is the ultimate goal
2. Customer satisfaction is an investment
3. Everyone must be involved in customer satisfaction (Cochran 2003, 2)

There is a wide pool of other customer satisfaction definitions and concepts presented, from which I will present one more, which is quite explicit and suitable for many fields:

Satisfaction is the consumer's fulfilment response. It is a judgment that a product or service feature, or the product of service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment, including levels of under- or over-fulfilment. (Keiningham and Varva 2001, 22)

"Consumer fulfilment response" is highly dependant on the expected performance idea and the actual received product or service, the comparison of those above mentioned often is leading to the main three results, which are depicted in the below graph:
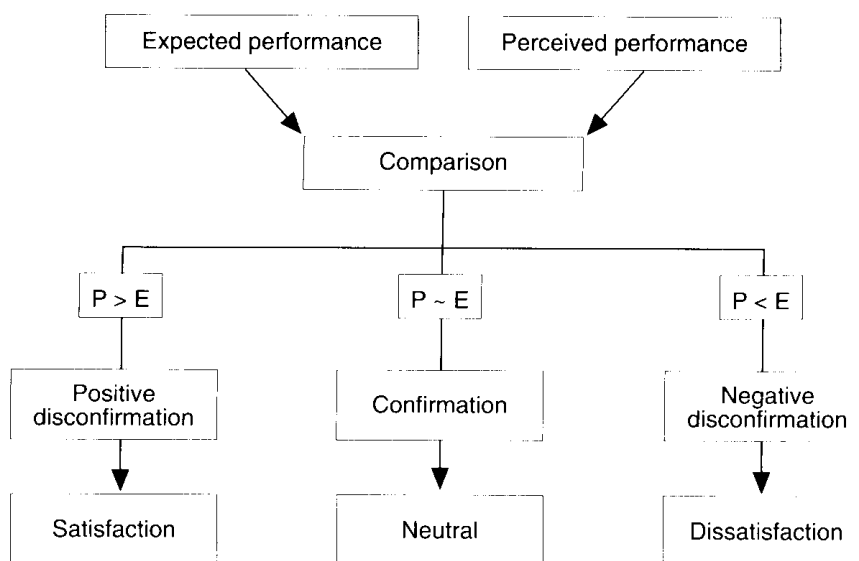

Figure 1: Customer experience
(http://www.customer-experience-labs.com/)

Satisfaction is the objective for management and the company to follow. It has numerous advantages except the good relationship with the customer. For instance, in the short-term perspective, if the company treats its customers well there is no

necessarily a need to make prices lower or spend them on advertising in order to gain new customers. The customers will return regardless of the price level or offers from competitors, as well if there is a satisfaction in received service. From long-term perspective satisfaction extends customers' lifetimes and their lifetime values.

Neutral state of service/product perception is an alarm sign for companies and an indication that the correction actions must be done in order to maintain the functionality and customer relationship. Especially it is a matter of concern for service providing business, since if the product is physically possible to improve or change, then service is intangible and once the reputation is bad it is hard to recover.

Dissatisfaction is the worst variant of business result and here is not only one reason to, but few. A lot of researches bring a message that, mostly, in all of the cases dissatisfied customer will share their experience with others potential customers, discontinue purchase the service, or drawback the payment for the agreed deal. In addition, dissatisfied customers usually are spreading a negative word of mouth.

It's been found that more than 90 percent of dissatisfied customers won't exert their own effort to contact a company to complain; they simply take their business to a competitor while voicing their dissatisfaction to other potential customers. (Varva 2002, 13)

Losing one dissatisfied customer may be more severe than it sounds; one dissatisfied customer may speak to a multitude of others, multiplying his or her dissatisfaction manifold! (Varva 2002, 13)

2.2 Customer satisfaction in services organizations

Talking about customer satisfaction in services organisations, needed to say that there are some special moments which are to be mentioned more precisely, as far there is a substantial difference between services and product marketing and management.

- Performance is a best marketing

Since there is no specific marketing operation and customer satisfaction with feasible product, there is an overall good performance of all activities which had happened during the cooperation. A company is only as good as its poorest function. (J.Lahtinen & A.Isoviitta 1994, 19) Every single potential mistake or non-excellent activity should be fixed in order to make the image and reputation of the organisation sound.

- Service chain

There are several stages in performing a service, some of which last only a few seconds, others of which can take hours and days, altogether forming the service chain. That service chain will be as strong as its weakest link, if something goes wrong then whole performance of the service is not good enough and hardly possible to correct, since as it was already mentioned above it is hard to get reputation of good service provider after it is already spoilt. Weaknesses must be discovered so that reasons for poor performance can be identified and the disappointing activities can be restricted or stopped.

- Excellence is always an aim

In providing services company should always aim excellence in customer relationship and total satisfaction from the provided core and augmented services. Considering all the above information it is obvious that there is no even an option to exist as a business if customer is characterising the service performance as neutral, since loosing the customer is much higher in that stage if to compare it with the company producing necessities products.

Following from all the above mentioned I will generalise that no matter what is the industry or the business area, every service and its performance have to be maintained carefully and no an object for mistreatment.

Most consumers, whether rational or simply hedonistic, are looking for manufacturers, suppliers, and retailers who offer them maximal satisfaction and a sense of value. (Varva 2002, 13)

In providing services for business-to-business area customer satisfaction is especially important, since in case of positive feedback it creates good reputation among another companies, which is very hard to get and loosing even one customer fraught with big risks and loses.

By taking the time and effort to assess their current customers' satisfaction, organisations take a major step toward running a business that is customer oriented, both for their current customers and for future customers.

2.3 Measurement of customer satisfaction and its importance

Customer satisfaction monitoring and measuring process helps to identify current or potential problems before they become any threat for organisation's entire process.

Measurement of customer satisfaction is often a whether a part of marketing research, whether the form of research itself. In that chapter, I will first discuss the concept of marketing research and then continue to present the measurement in more details.

Marketing research is defined as the systematic and objective process of generating information to aid in making marketing decisions. This process includes specifying what information is required, designing the method for collecting information, managing and implementing the collection of data, analyzing the results, and communicating the findings and their implications (Zikmund 2003, 3).

As one of the measurements of the performance of the quality management system, the organisation shall monitor information relating to customer perception as to whether the organisation has met customer requirements. The methods for obtaining and using this information shall be determined. (Varva 2002, 15)

Measuring customer satisfaction provides an indication of how successful the organization is at providing products and/or services to the marketplace. It helps to identify current or potential problems before they become a threat or opportunity. (Lahtinen&Isoviitta 1994, 56)

To be certified with ISO rules, companies are required to have an effective method of measuring customer satisfaction. Here are some of the requirements of ISO program mentioned:

- a set of procedures that cover all key processes in the business;
- monitoring processes to ensure they are effective;
- keeping adequate records;
- checking output for defects, with appropriate and corrective action where necessary;
- regularly reviewing individual processes and the quality system itself for effectiveness; and
- facilitating continual improvement (http://en.wikipedia.org/wiki/ISO_9000)

Companies are free to collect customer feedback via forms they surmise the best, like complaints, suggestions or compliments. The main idea of gathering whole the info is the opportunity to get into the hearts and minds of the customers. In a case of negative feedback, the company shouldn't however give up and stop the measurement, because in all but the worst instances, complaining customers are indicating that they want to

continue their relationship with the company, but there is something wrong and needed to be corrected, and that is in a way an expectation from the company to make the things right.

Customer feedback systems should ensure that information originating from complaints, compliments, and other feedback tools is systematically collected, analysed and disseminated to drive service improvements. The ultimate objective of an effective customer feedback system is to institutionalise systematic and continuous customer-driven learning. (Lovelock&Wirtz 2007, 412)

A job well done in connection with satisfied customers is most often the most efficient marketing strategy. As soon as customer perspective is measured it should be taken into account immediately. It should help in determining which service improvements require immediate attention, which require further monitoring, and which indicate a need for educating employees or customers.

In B2B environment it is especially important to follow and be attentive to customers needs since there are usually only few potential customers that they cannot afford to loose any of them.

2.4 Ways of measuring

The most common and used way of measuring customer satisfaction involve a survey with a set of statements, and opportunity to answer these statements using Likert Technique or numeric scale, there customer is asked to evaluate each statement and in terms of their perception and expectation of performance of the organization being measured.

A *survey* is a research technique that gathers information from a sample of people using a questionnaire. The task of writing a list of questions and designing the format of the printed or electronic questionnaire is an essential aspect of the development of a survey research design. Research investigators may choose to contact respondents by telephone, by mail, in person, on the Internet, or through another communication medium.(W.G. Zikmund 2003, 55)

Surveys provide a quick, inexpensive efficient and accurate means of assessing information about population. Surveys are quite flexible, and, when properly conducted, extremely valuable to the manager.

In case if company doesn't have a lot of the costumers and it is interested in finding out more detailed information, then interview in a way of personal discussion very appropriate. Definitely an opportunity to get into the mind of the customer is a plus in that case and contrarily minus is that this information will be dependent on how the conversation goes and how respondents feel that moment. Another minus of that approach is that the info cannot be gathered and measured with others responses so well.

2.5 Steps of measuring

Measurement of customer satisfaction process doesn't only presume conducting of the survey or interview held; it also assumes gathering of all the data before conducting the survey, setting timetables and goals, later it is about analysing the responds and doing the corrections and changes according to the feedback received. Terry G.Varva defines five important steps in the measurement process like:

- Discovery

This is the stage at which you need to identify the requirements your customer have of your organisation, and the issues on which they judge their satisfaction with your organisation, and use to determine whether they will continue to do business with you. This is a stage at which you momentarily set aside your intuitions and assumptions, and question and listen to your customer directly. (Terry G.Varva 2002, 1)

- Design and deployment

The stage there you need to create a viable survey program that will collect the more important information you've identified yet maximize your customer's participation. To properly design your survey process you'll need to state your measurement objectives and identify key criteria and performance measures that you'll collect in the survey. (Terry G.Varva 2002, 87)

- Deduction

Once you have fielded your questionnaire or interview, you will have a wealth of information. But raw information begs for interpretation and structure. You need to mine the nuggets of insight buried in your data. Be forewarned – you'll need to organize your search and be as creative as possible as you look at your information. (Terry G.Varva 2002, 165)

- Discourse

Conducting your survey is only a part of the customer satisfaction measurement process. No improvement will be forthcoming unless the many layers of your organisation (executive, managerial, factory or platform, sales and service) hear about the knowledge you've gathered with your process. (Terry G.Varva 2002, 213)

- Development

Once your findings are widely disseminated, you have the further opportunity to challenge your organisation to take action to make the improvements your customer request. Measurement must not be considered the primary focus of a customer satisfaction program; without a focus on improvement, the management is wasted effort and resources. Your program should include tools for championing and mentoring change. (Terry G.Varva 2002, 249)

Needed to say that after marketing research, survey or interview is conducted, it is important what the destiny of the feedback is. Exactly that feedback provides strategic guidance and actionable insights that enable companies to improve marketing and customer service and to develop further services processes.

Establishing marketing research and getting customer's feedback helps companies to set a culture of customer centricity and progressive improvement.

3. Services and their main features

3.1 Service importance and theirs definition

Service sector is rapidly increasing all over the world. Government policies, progress in information technology, social changes, business trends and globalization, all that influences the services markets development.

From one industry to another, competition between services providing companies is stimulating innovation, especially through application of new and improved technologies. Competition occurs not only among firms within the same industry, but also among firms from other industries that can offer customers new solutions to their needs through alternative approaches. In some cases there is no visibility that there is some service involved, usually they are targeted at business customers, some of which are not highly visible unless you happen to work in that industry.

There are not only individuals and households, ordering certain services, companies and organisations use a wide array of B2B (business-to-business) services, varying to some degree according to the nature of their industry, but usually involving purchases on a much larger scale than those made by individuals. In order to focus on the main core business a lot of business customers are outsourcing more and more tasks to external service suppliers. Here they can get good professional service, offering them needed solutions for their problems and good value at the price they can afford.

Manpower Inc., what was mentioned in the beginning, is a company specialized in employment services industry, which is huge in our days. It is a world leader in that industry; the company is creating and delivering services that enable its clients to win in the changing world of work. Its vision is to lead in the creation and delivery of services that enable clients to win in the changing world of work. MBS and KAS units for which the tool is developed are all providing professional outsourcing services.

Later, I present more explanation what is considered as outsourcing and after that continue with the definition of a service itself, its marketing mix and service systems elements.

Outsourcing refers to a company those contracts with another company to provide services that might otherwise be performed by in-house employees. Many large companies now outsource jobs such as call centre services, e-mail services, and payroll. These jobs are handled by separate companies that specialize in each service, and are often located overseas. (http://www.wisegeek.com/what-is-outsourcing.htm).

In most of the cases outsourcing presumes involving of certain services, so to proceed I would like to go in more details what is considered as a service. In that part of the work the goal is to present service concept as detailed and minute as it is possible from different perspectives, after the definition of the service, there are main types discussed, 8 p's of marketing mix and main elements of service system discussed.

Since the idea of that work is to create a tool for units, which are providing services in different fields, I decided to highlight the most important aspects of service and its system, in order later to unite and generalize characteristics and elements of every service, despite its field of activities and industry.

Services defined as: Economic activities offered by one party to another, most commonly employing time-based performances to bring about desired results in recipients themselves or in objects or other assets for which purchasers have responsibility. In exchange for their money, time, and effort service customers expect to obtain value from access to goods, labour, professional skills, facilities, networks, and systems; but they do not normally take ownership of any of the physical elements involved. (Lovelock&Wirtz 2007, 15)

3.2 Five broad categories of services:

According to C.Lovelock and J.Wirtz there are five broad categories of services:
- Rented goods services, examples of them are boats, combine harvesters, or formal clothing worn only for weddings and proms

- Defined space and place rentals, like hotel room, a table and chairs in restaurant, seat
- Labour and expertise rentals here customers hire people to perform work that they either choose not to do for themselves or are unable to do because they lack the necessary skills or expertise

- Access to shared physical environments, museum, zoos, ski resorts, golf courses

- Systems and networks: access and usage, right to participate in the specified network (Lovelock&Wirtz 2007, 15)

A lot of service organisations, are providing not only one of the services, but often veritable menu is created in response to varying customer's needs and abilities to pay.

3.3 Expanded marketing mix of services

Marketing mix is considered as a combination of tactical marketing tools that work together to achieve company's objectives.

The marketing mix is the set of controllable tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for its product. (Kotler, Armstrong, Wong & Saunders 2008, 49)

Product, price, place and promotion are four basic elements of the product marketing mix. Talking about services we need to add also four elements associated with service delivery like:

- Process
Design and implementation of effective processes. Customers are often actively involved in these processes, especially when acting as co-producers. Badly designed processes lead to slow, bureaucratic, and ineffective service delivery, wasted time, and a disappointing experience. Result may lead to low productivity and increased likelihood of service failure.

- Physical environment
Service firms need to manage physical evidence carefully, because it can have a profound impact on customers' impressions.

- People
The nature of interaction between customers and contact personnel strongly influences how customers perceive service quality.

- Productivity and quality
Productivity and quality should be on the same level, and if there is a need to set high quality it is important to know if customers are willing to pay for extra more quality. Advances in technology sometimes offer promising opportunities, but innovations must

be user-friendly and deliver benefits that customers will value (Lovelock&Wirtz 2007, 25).

3.4 Service system's elements

Another way to describe the service and its main elements I have found from J.Lahtinen work "Customer relationship marketing". J.Lahtinen claims that generally every service has four main elements: Providing service, Service package, Service quality, Service culture.

3.4.1 Providing service

Components of that element are:

- service environment
- contact personnel
- other customers

These elements imply the communication between the people, as between customer and the personnel, so between customers and between managers and customer, etc. One of the 8Ps of services marketing mix is also a person. Here would be more relevant to talk about the communication and its importance in service industry.

From customer's perspective, the encounter with service personnel is probably the most important aspect of a service. From the company's perspective, the service levels and the way service is delivered by personnel can be an important source of differentiation as well as competitive advantage.

Contact personnel, who in turn can be divided into two groups: personnel that have continuous and direct contact with customers; personnel who are seldom or infrequently in contact with customers, are usually the crucial factor for success in providing service. The skills to communicate of the personnel have a considerable effect on whether the company succeeds in creating and developing regular customer relationship or not. It is this element that most closely links the marketing, operations and human resource functions in the effort to create an effective value exchange between the organisation and its customers. Needless to say that behind most of today's successful service organizations stands a firm commitment to effective management of human resources.

In B2B service context, relationship depends largely on the quality of the interactions between individuals at each of the partnering firms, and service firms needs to take care

to communicate the relevant benefits to the right people in the client organisation, because purchasing decisions are often made jointly. As relationship strengthen over time, the service's providers employees often take on the role of an outsourced department and make critical decisions on behalf of their clients. (Lovelock&Wirtz 2007, 373)

For some companies in the service sector, customer loyalty is the most important indicator of the company's service quality. And here it is important to notice whether the customer is loyal to the company or to a certain employee within the company. "Loyalty is usually based on the reliable and service-oriented person with whom the customer has established a rapport. If the customer's loyalty is restricted to one person, it is recommended to try and open this loyalty to the company as a whole, as opposed to an individual who is representing the company." (Lahtinen & Isoviitta 1994, 26)

Labour market is highly competitive and many best-practice HR strategies start with recognition that in many industries it is. Competing for talent by being the preferred employer requires a marketing perspective. Careful selection is important, too, to ensure that new employees fit both job requirements and the organisation's culture.

The market and financial results of managing people effectively for service advantage can be phenomenal. Good HR strategies allied with strong management leadership at all levels often lead to a sustainable competitive advantage. It is probably harder to duplicate high-performance human assets than any other corporate resource.

3.4.2 Service package

Service package element implies that there is often not only one core service is provided. Nowadays it may be a combination of few services, or main service and extra. Sometimes supplementary services are involved, which are sometimes not visible, especially it concerns some business activities. For example, help and guidelines are given, management, management reporting, financial reporting of all the activities etc. At that point, to better understand the nature of services, it's useful to distinguish between the core product and the supplementary elements that facilitate its use and enhance its value for customers. Core product tends to become commodities as an industry matures and competition increases. So the search for competitive advantage often emphasizes performance on supplementary services, which facilitate use of the core product and add value and differentiation to the customer's overall experience. (Lovelock&Wirtz 2007, 71)

The core and supplementary combination represents the service concept.

Three components of the service concept: core product – central component that supplies the principal, problem-solving benefits customer seek; supplementary services – augment the core product, both facilitating its use and enhancing its value and appeal. The extent and level of supplementary services often play a role in differentiating and positioning the core product against competing services, delivery processes – concerns the delivery processes used for core and supplementary services. (Lovelock&Wirtz 2007, 71)

3.4.3 Service Quality

Another important element of service system according to Lahtinen, is the quality. To avoid giving subjective definitions to such broad concept as quality, I will present different service quality models in that chapter, but before doing so, briefly to say about more general facts. Very important to understand what is understood by quality since very often exactly quality is the key to customer loyalty. As it was mentioned before, sometimes in some industries good communication is already an indicator of good quality, others require perfect problems solutions or sound management, it is highly dependant on many factors and services providing companies should be always aware of every change outside or inside of the company.

"Customers evaluate service quality by comparing what they expected with what they perceive they received from a particular company. If their expectation are met or exceeded, customers believe they have received high-quality service. (Lovelock&Wirtz 2007, 47)

However, customer expectations about what constitutes good service vary from one business to another.

Expectation change over time, too, being influenced by both supplier-controlled factors such as advertising, pricing, new technologies, and service innovation, as well as social trends, advocacy by consumer organisation, and increased access to information through the media and the internet. (Lovelock&Wirtz 2007, 47)

Consequently, would be more correctly to say that delivering quality service means conforming to customer expectations on a consistent basis.

There are concrete standards and dimensions of what is considered as a quality presented in the next chapter.

3.4.4 Dimensions of service quality and service quality models

- Rater model

RATER identifies the 5 key areas which together form the qualities of a service offering from a customer perspective. RATER focuses on the dimensions of customers expectations. The research also suggests the relative importance of each of the factors.

1. Reliability (The ability to perform the service dependably and accurately)
2. Responsiveness (Willingness to help customers and provide prompt servicing)
3. Assurance
    3.1. Competency
    3.2. Courtesy (politeness, respect, consideration, and friendliness of service personnel)
    3.3. Credibility
    3.4. Security
4. Empathy
5. Accessibility (approachability and ease of contacting)
6. Communication skills
7. Understanding the customer (taking the effort to get to know customers and their particular needs)
8. Tangibles (The condition of the "physical evidence" surrounding the delivery of the service.

(http://www.degromoboy.com/cs/models.htm)

A complementary analysis of the perception gap is the RATER model produced by Zeithaml (1990).

- The GAP Model

This model offers an integrated view of the consumer-company relationship. It is based on substantial research amongst a number of service providers. Gap model describes the how the provider can minimise the perception gap.

In common with the Grönroos model it shows the perception gap (Gap 5) and outlines contributory factors. In this case expected service is a function of word of mouth

communication, personal need and past experience, and perceived service is a product of service delivery and external communications to consumers.
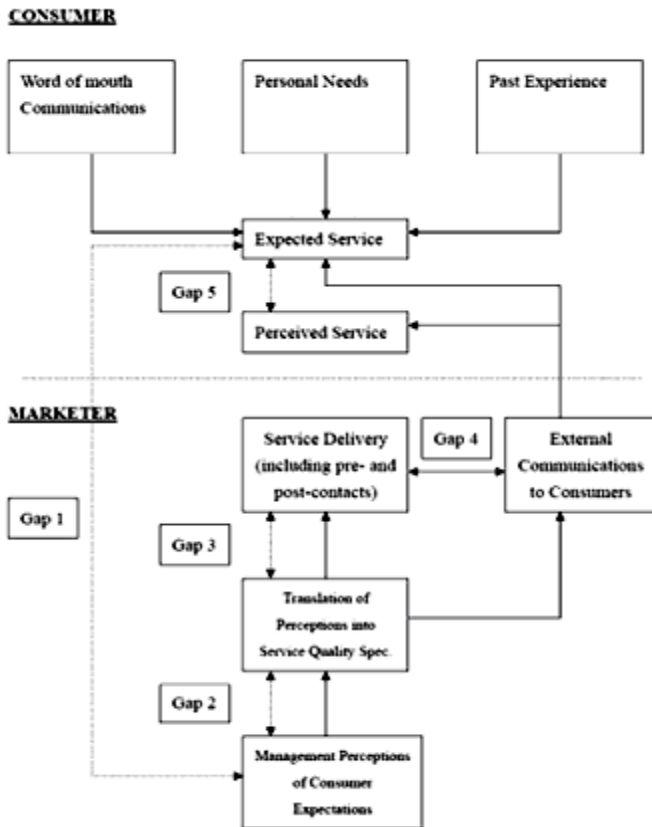

Figure 2: GAP concept model

(http://www.degromoboy.com/cs/models.htm)

Gap 1. Customers' expectations minus management perceptions gap.
Gap 2. Management's perceptions minus service quality specifications gap.
Gap 3. Service quality specifications minus service delivery gap.
Gap 4. Service delivery minus external communications gap.
Gap 5. Expected service delivery minus perceived service delivery.

Customer's requirements will change from year to year, so the understanding of customer's requirements to what is really good service needs to be done on a regular basis.

- Kano's Two Factor Model
The curve illustrates the difference between must-be, attractive, and linear quality elements. The horizontal axis describes customer satisfaction that can move from "very dissatisfied" to "very satisfied". The vertical axis describes the existence or non-existence of a quality element, ranging from "not available" to "high degree of availability".
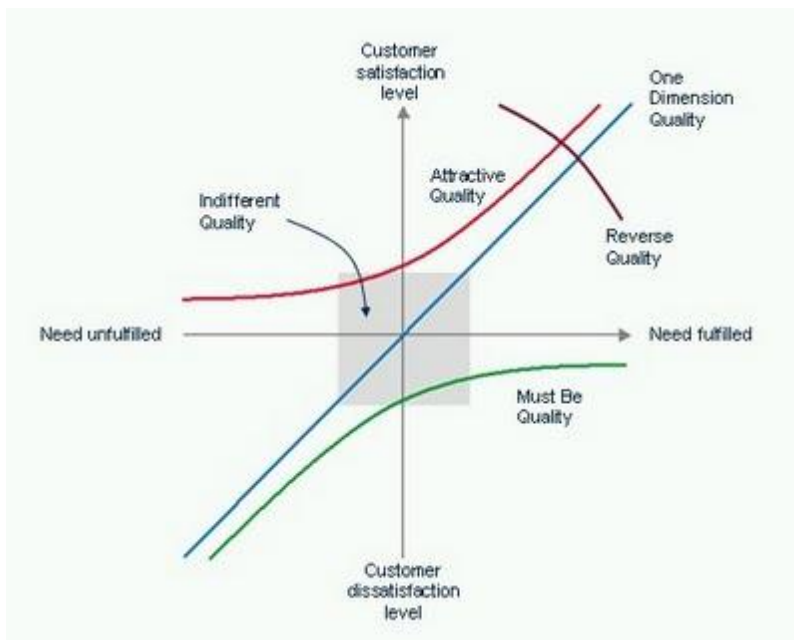
Figure 3: Kano's two factor model

(http://www.degromoboy.com/cs/models.htm)

3.4.5 Service Culture

Last one element is service culture, what is a company's atmosphere which reflects the company's or the community's values and norms.

So far, there was a lot of discussion that the task of customer satisfaction measurement is to give feedback, which will help to move organisation to service excellence. What is truly needed to be done to get there, it is a strong service culture that is continuously reinforced and developed by management.

Service culture can be defined as

- *shared perceptions of what is important in an organisation, and*
- *shared values and beliefs of why those things are important(services marketing)*

Here, the management actions are essential part for success. Employees rely heavily on their perception of what is important by noting what the company and their leaders do, not so much what they say. Employees gain their understanding of what is important through the daily experiences they have with the firm's human resource, operations, and marketing practices and procedures.

b. Provided services

6. Conclusions

Customer satisfaction is the core aspect of management, it should be carefully measured and analysed. Measurement is possible to do in different ways, depending which is more suitable and productive to use. After measurement is done, the essential step is to make corrective actions for improvement, so that the effort made wasn't done for nothing. Especially it is a matter of concern in service-oriented companies, which have to concentrate more on such aspects like service quality, communication, core and augmented services.

According to the theoretical material about customer satisfaction, service-oriented business, the tool was developed for several MBS and KAS units. During the meetings with team leaders we set up the most important aspects for us to study and the tool was tested.

POC unit's results gave descriptive results and as well presented valuable critics to use.

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Appendix

Questionnaire

1. Please, choose the service provided to You

Learning Services
Travelling Services
Printing Services
Software testing Services
Hardware testing Services
Inventorying Services
Technical Services
Purchasing/Ordering of products Services
Communication Services

2. Overall performance (please, choose "No opinion", if the question doesn't concern the area of your participation).

Based on our performance, You will most likely use us in the future
Our services are worth recommending
Overall, our performance is getting better
It is efficient to work with us (in terms of speed, quality and effective use of resources)
You have a strong level of confidence in us to deliver required services

3. Services stage's appraisal
Initial contact
Providing the service
Handling of the process
Post-delivery
Other (please specify)

4. Please, give an appraisal of service's aspect like ...
Service culture
Reliability and trustworthiness
Punctuality
Organization and management
Accuracy
Confidentiality
Comprehensiveness
Correctly filled documentation
Functional back-up
Location of service provider and means of communication
Attentiveness to customers needs
Following feedbacks
Other (please specify)

5. Approachability and ease of contacting
It is clear whom to contact in case if help is needed
Contact is direct
Contacting is without delay
Contacting is without delay
Contact information (phone number, email, page in intranet/internet) is easily found

Other (please specify)

6. How would You like to be contacted for the most?
Mail
Phone
Face-to-face
Other

7. Importance of employees characteristics (1-unacceptable, 2-poor, 3-satisfactory, 4-good, 5-excellent).
Competence
Courtesy (politeness, respect, consideration, and friendliness)
Speed of performance
Training of the employees
Organization of the employees
Motivation of the employees
Understanding the customer (making an effort to get to know customers and their particular needs)

8. Actual appraisal of services personnel characteristics (1-unacceptable, 2-poor, 3-satisfactory, 4-good, 5-excellent)
Competence
Courtesy (politeness, respect, consideration, and friendliness)
Speed of performance
Training of the employees
Organization of the employees
Motivation of the employees
Understanding the customer (making an effort to get to know customers and their particular needs)

9. Please, evaluate following aspects of service personnel performance DURING business trip projects (choose "No opinion" if there are no business trips)

Reliability and trustworthiness
Punctuality
Organization and management
Accuracy
Confidentiality
Comprehensiveness
Correctly filled documentation
Functional back-up
Location of service provider and means of communication
Attentiveness to customers needs
Following feedbacks
Other (please specify)

10. Free comment