PERCEIVED AND EXPECTED QUALITY OF SERVICES – MOLDCOM CASE STUDY

B. Rusu, Gh. Nagâţ, Gh.Creţu
Universitatea Tehnică "Gh.Asachi" Iaşi

INTRODUCTION

An important criteria used to appreciate quality of services consist of consumer expectations (Eduardson, et. al., 1994). The understanding of it's nature and key factors is essential to be sure that service are satisfying the client's needs.

A "customer satisfaction measurement (CSM)" program is a formal mechanism to soliciting ideas for improvement and innovation from clients (Newmann and Giel, 1995). It is a mechanism to acquire, analyse and use the inputs from the customers to increase organisational efficiency, that is necessary to create and delivery an excellent service to the clients.

Customer satisfaction measurement (CSM) is important because:

- It represents an important means to establish what are the client's expectations and the attributes that defines the offered service. Without a CSM program, companies can only suppose what are those expectations and how important are these for the clients.

- Through the identification of key services attributes, performance measurement and the relative importance of these attributes as perceived by the customers it is possible to increase services value.

- A CSM program ensures the collection and use of the appropriate information about the client's perception of the provided services. It also provides data and information on employees and management perception of the designed and delivered service.

- It ensures a fast and reliable feedback on the changes that take place in the organization.

1. CUSTOMER ASSESSMENT OF SERVICE QUALITY MODEL

There are three outcomes of service quality: delivery in accordance with expectations (*generating customer satisfaction*), a superior level of service delivery (*over - satisfaction*) and to an inferior level as compared to expectances (*generating dissatisfaction*). Zeithaml (1990) provided a model for service quality that compares perceptions and expectances of clients. Expected services are those provided by an excellent company, and the perceived service is that experienced by the customer after he/she had purchased and consumed it. Figure 1 exhibits four factors that influence the expected service. These are:

- *Word of mouth* – what customers are hearing from others clients: positive and negative recommendations made by friends, and known persons which had a special experience with shop's services;

- *Personal needs* – may influence client's expectations (ex. if the shop is near client's home, convenient opening hours, etc);

- *Past Experiences* – when he/she used shop's services; and

- *External communications* – direct and indirect messages that the shop sends to its clients (ex. fresh products, kind personal, etc.)
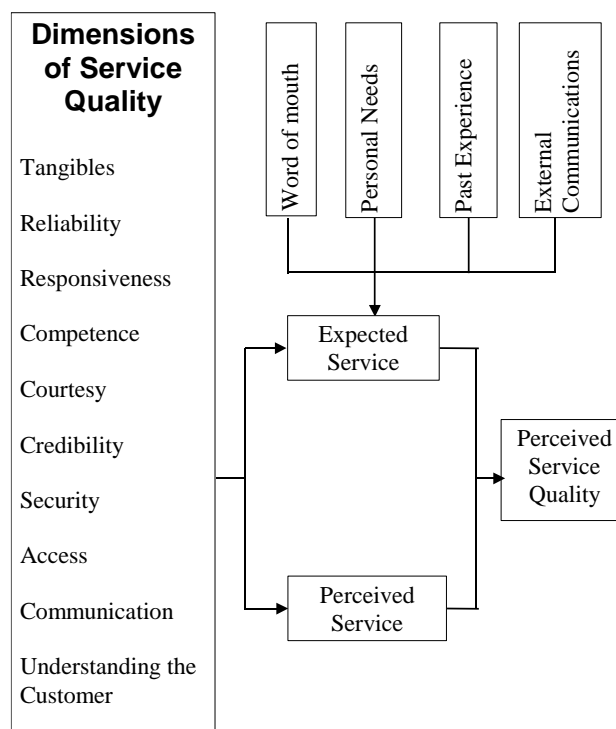
The Customers' view of service quality

Figure 1. Customer assessment of Service

The key dimensions of service quality influence both expected and perceived services (see figure 1): tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understanding the customer. These are adapted to fit the Moldcom socio-economic environment and also to be understood by the shop's customers.

The investigations at Moldcom continues by conveniently grouping these dimensions to form five services quality dimensions (Caruana, et. al 2000, Robledo 2001, Kotler, 2000):
1. *Tangibility* – reflecting the appearance of the company's physical facilities, equipment, personnel, and communication materials;
2. *Reliability* – the ability of the company to perform the promised service dependably and accurately;
3. *Response* – the willingness of the company to help customers and provide prompt service;
4. *Assurance* – the knowledge and courtesy of the company's employees and their ability to convey trust and confidence.
5. *Empathy* – the caring, individualized attention the company provides its customers.

To increase service quality the company must identify and measure the factors that affects expected and perceived quality. Customer satisfaction bases on the gap between expected and perceived service quality.

2. RESEARCH METHODOLOGY

The need for the research bases on the Moldcom's manager to identify the key factors that influence customer satisfaction. He expressed his interest to find means to increase repeated purchase, the number of clients and thus sales turnover and profitability. A series of structured interviews were made with the manager, employees and with some clients in order to identify the key quality service dimensions.

Next step we designed the questionnaire structured in two parts. First, it requires information that elicits expectations (as to an excellent shop) flowed by the part eliciting the actual experience with Moldcom service quality. Age, gender, income, and monthly expenses are the key factors used for segmentation.

The result of the pilot survey (Tull and Hawkins, 1995) on a sample of 15 clients includes:
- Better wording of the questions – some customers did not understand the statements;
- One question was eliminated – the subjects did not clearly differentiate between two statements.

Therefore, a sample of 100 respondents provided answers to the revised questionnaire. Figure 2 to figure 5 exhibits the sample characteristics.
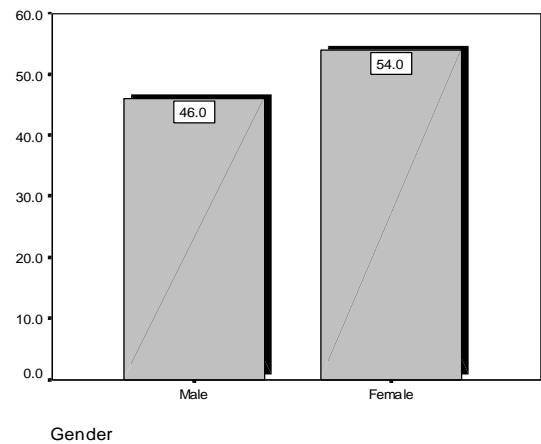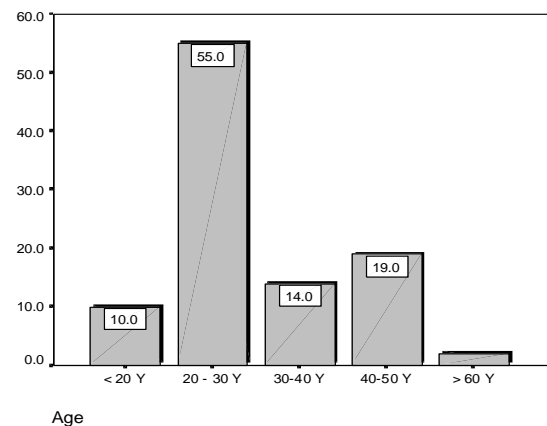

Figure 2. Sample structure by age.

Figure 3. Sample structure by gender.

The sample contains approximately the same percentage of male and female customers (figure 2). Due to the shop location close to the student campus, the customers' age lies between 20-30 years (figure 3). Figure 4 exhibits that most of respondents declared a monthly income less of 3 million lei, out of which 54% have less of 1.5 million. Average weekly shopping value (figure 5) shows that 54,7% of the respondents spend less than 50 000 lei per week in Moldcom.

Data analysis relied on the difference between the numerical value that express customer's perception of the received service (second part of questionnaire) and the numerical value that reflects client's expectations (first part of questionnaire). In the questionnaire, the customers also expressed the relative importance of the five services quality dimensions (*Tangibility –Reliability –Response –Assurance and Empathy*) as percentage of 100%. These percentages are weights in the computation of the level of customer satisfaction.

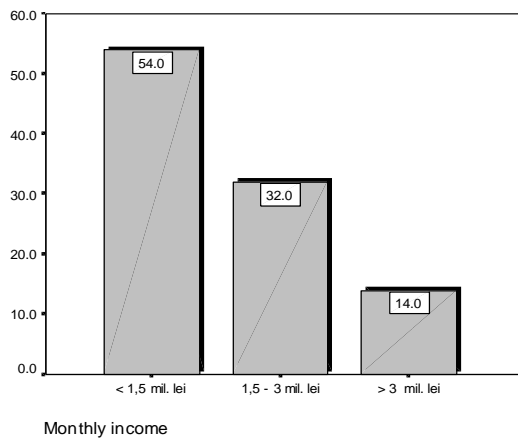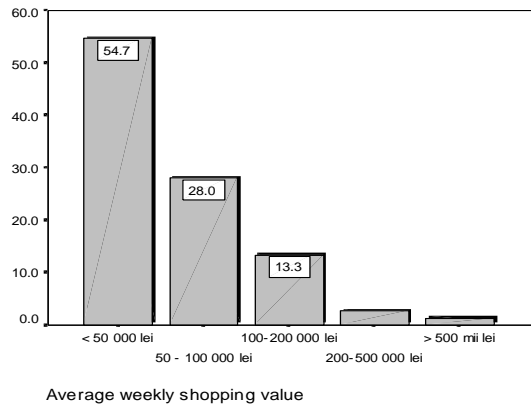**Figure 4.** Sample structure by monthly income.

Figure 6. Empathy – Age.

Figure 5. Sample structure by weekly shopping value.

Figure 7. Reliability – Age.

3. SURVEY RESULTS: QUALITY SERVICE DIMENSIONS AT MOLDCOM

Those five dimensions were the bases of the questionnaire for CSM at Moldcom. To enable the measurement of each of these, the questionnaire contains a set of 4-5 statements.

In the analysis, for each questionnaire an average value is computed for the answers of each set of 4-5 questions that form each dimension (both perceived and expected). Than, the difference between perceived and expected quality is weighted for each of the five service quality dimensions. The graphs from figure 6 to figure 11 exhibit the mean value (as computed for all 100 respondents) of the five weighted quality dimensions by the age, gender and monthly income of the respondents. Only the most representative selection of graphs had been included in this paper.

Respondents with the age between 30-40 are the most dissatisfied with empathy and reliability
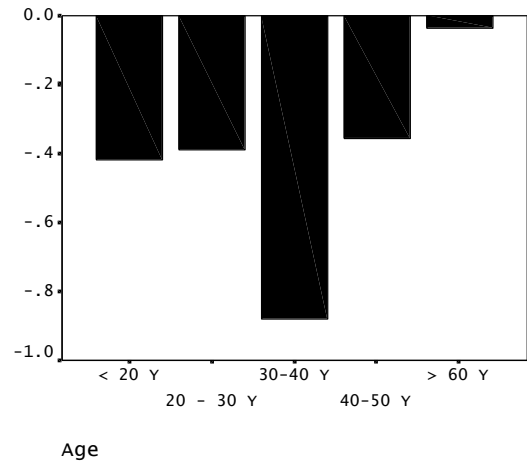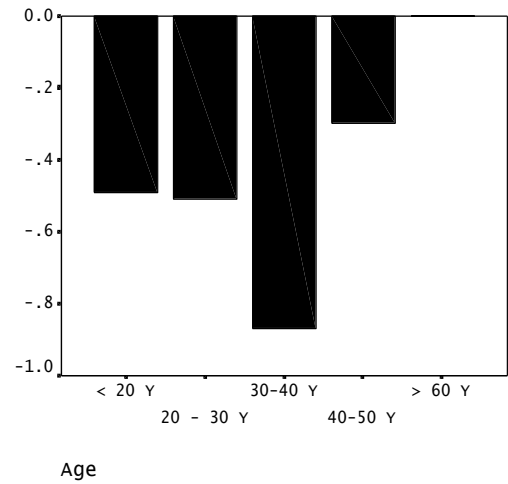
of Moldcom services (see figure 6, 7). The analyzing of the graphs from figure 8 and 9 reveal that females are mode dissatisfied (as the average value of respondents) with the tangible and assurance dimensions of service quality as compared with the male customers.
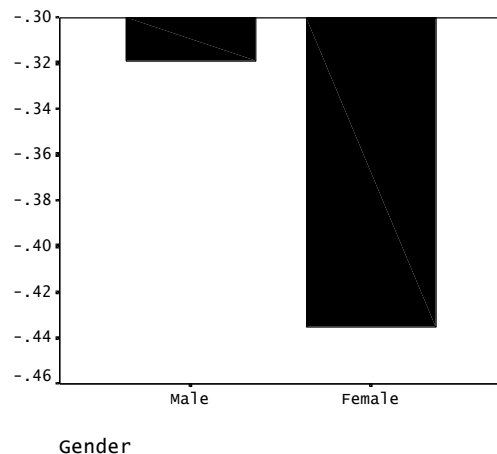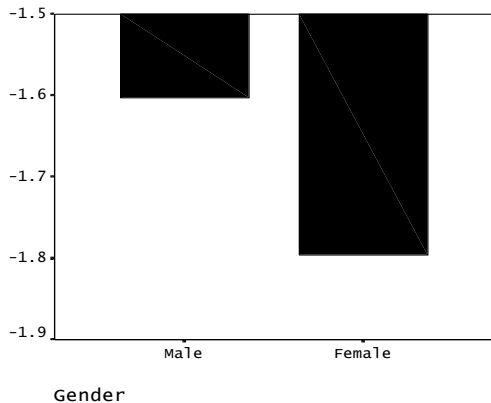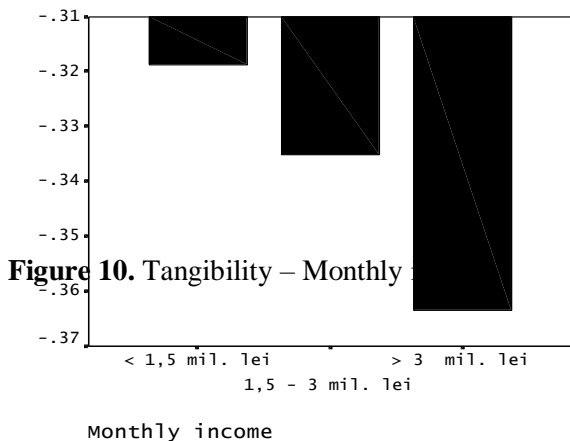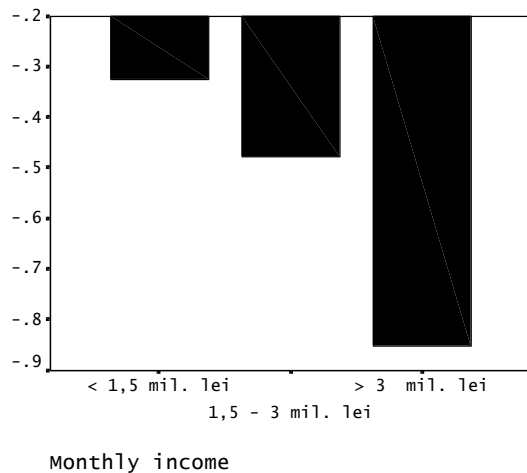

Figure 8. Assurance – Gender.

Figure 9. Tangibility – Gender.

The clients with a monthly income in excess of 3 million lei are most dissatisfied with tangible and empathy dimensions of quality services offered by Moldcom shop (see figure 10 and 11).

Figure 10. Tangibility – Monthly

Figure 11. Empathy - Monthly income.

4. CONCLUSIONS

Because the customers with the age between 20-30 years and females and represents an important part of the customers (54%), and dissatisfaction level of

this segment is high the research should continue with structured interviews with this customer segment. These should aim to identify the key factors that influence their satisfaction level. During the interview, the respondents may elicit suitable solution that may be easy to implement by Moldcom. The interviews should include the customers that declared a monthly income more than 3 million lei.

This research represents a pilot study and the results are specific for considered sample, and any generalization can be affected by error.

Customer satisfaction level is a dynamic variable. Therefore, customer survey should be made at regular time intervals as a continuous process. The key elements which that may influence customer satisfaction must be identified aiming to find innovative solutions towards the improvement of service quality. Moldcom, as any company should measure its progress over time.

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