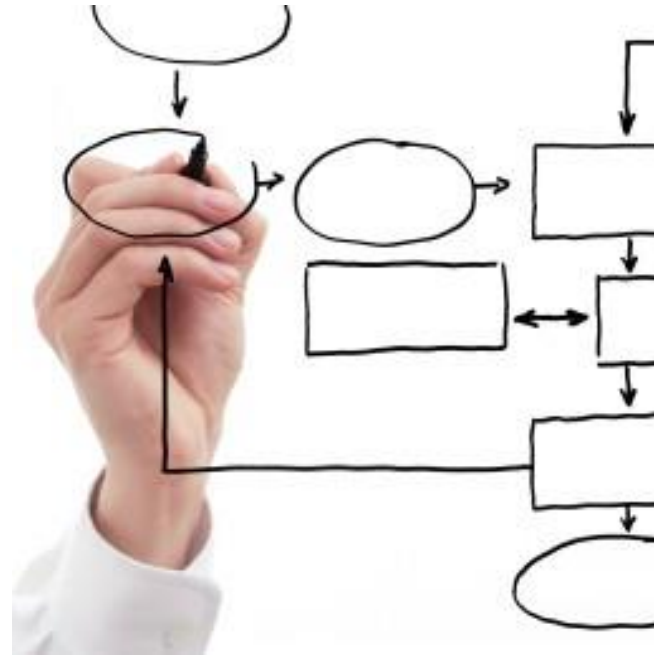


# PROCESSES AND QUALITY MANAGEMENT IN SERVICES

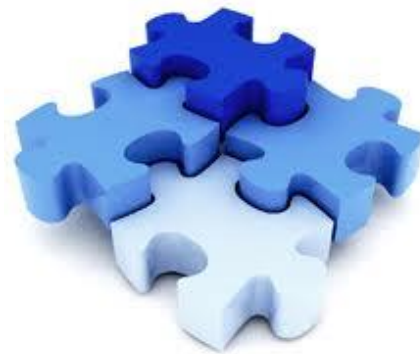
1. Processes
2. Quality



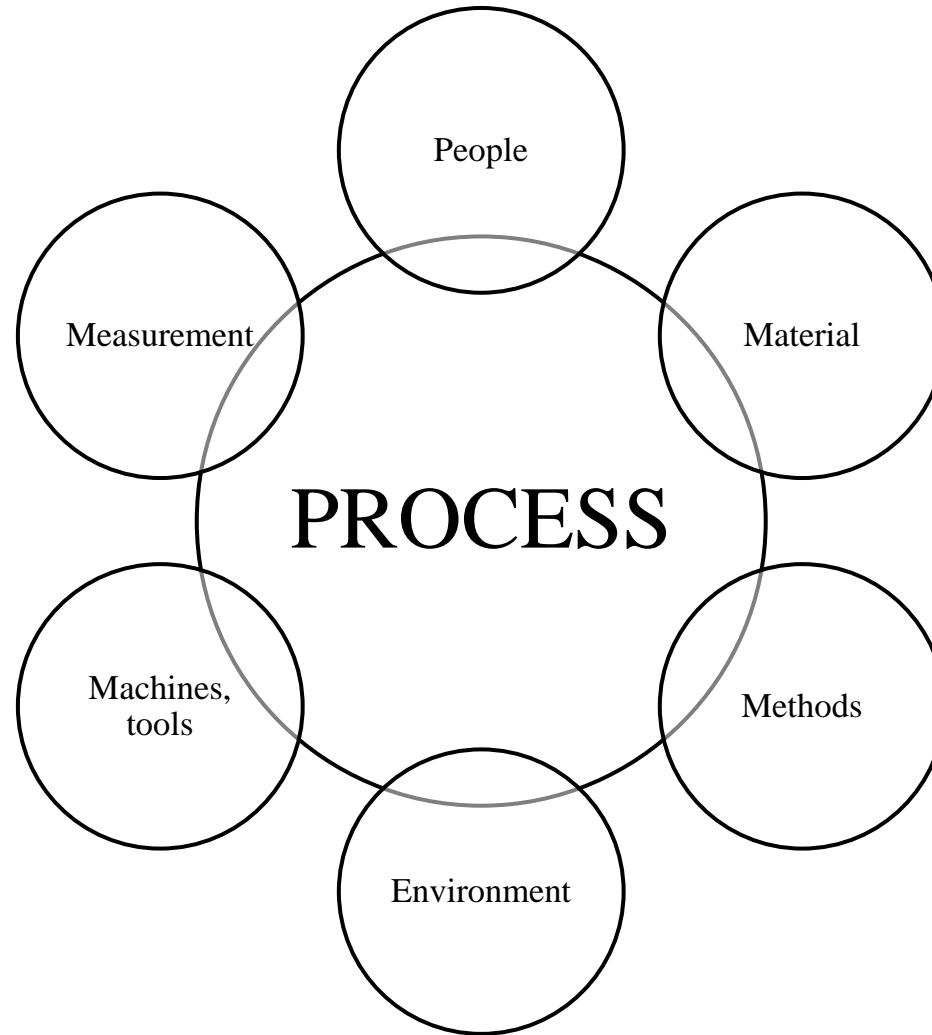
*Today's customers have little time but a lot of information, they expect higher quality, better service, lower prices, higher value for their money.*

# 1. PROCESSES IN THE SERVICES

- ▶ **Processes represent a sequence of activities, logically arranged.**
- ▶ **Processes are a set of procedures and activities that employees must identify with, respect and follow.**
- ▶ **The process can be characterized by the following features:**
  - ▶ **benefit for the customer,**
  - ▶ **the process must be economical,**
  - ▶ **repeatably reliable.**

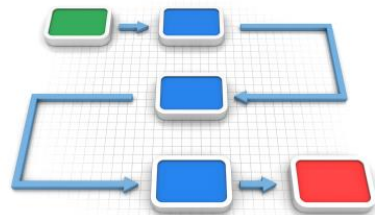


# REQUIREMENTS FOR QUALITY OF PROCESSES IN SERVICES



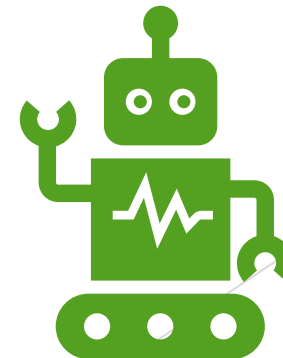
# PROCESSES ACCORDING TO VARIETY AND COMPLEXITY

1. **Mass services** - low interaction, high standardization, automation.
2. **Custom Services** - medium level of interaction, high adaptation, can be unrepeatable.
3. **Professional Services** - high level of interaction, high qualification of the service provider.



# ROBOTIZATION AND AUTOMATION OF PROCESSES IN SERVICES

- ▶ Robotic process automation (Robotic Process Automation, RPA) - the goal is generally to replace employees with a low need for expertise with robots and, thanks to this, to transfer employees to work with greater added value and the necessary higher expertise.
- ▶ In addition, the robot noticeably increases the efficiency of processing: in theory it can work 24/7, the safety of working with sensitive data also increases, but also the quality and consistency of data processing, lower error rate, ...
- ▶ Self-service zones, machines, chatbots , voicebots , ...



# MANAGEMENT OF CONSUMER DEMAND

- ▶ Irrational demand
- ▶ Falling demand
- ▶ Latent demand
- ▶ Excessive demand
- ▶ Negative demand
- ▶ Irregular demand
- ▶ No demand



# REENGINEERING OF PROCESSES IN SERVICES

- ▶ The BPR method (Business Process Reengineering ) represents **a leap improvement through a radical change of processes in the organization**, when existing inefficient processes are replaced by new, far more efficient processes.
- ▶ In top companies, reengineering is a never-ending process. For smaller and medium-sized companies, it is ideal to hire an external expert for this activity, not only for the very important unbiased and client-influenced outside view, but mainly for the experience of rebuilding hundreds of processes at dozens of companies.



## 2. QUALITY OF SERVICES

- ▶ **Service quality is a tool for maximizing revenue through increasing client satisfaction.**
- ▶ It is important that the client has a feeling of higher quality than he expected before.



*"Quality means that our customers come back and our products don't."  
(Siemens company)*



# FINAL QUALITY OF SERVICE



- ▶ **QUALITY SERVICE** produces more loyal customers, which means they will buy again next time. And this increases the sales volume and profitability of the company.

X

- ▶ **POOR SERVICE** can mean the loss of customers, which is expensive not only because of the cost of replacing them, but also because of the multiple impact that their negative opinion will have.
- ▶ **MOTIVATION OF STAFF** who are in contact with the customers is increased when the service is of high quality.

# BASIC TYPES OF QUALITY

- ▶ **Technical (objective quality)** - these parameters are quantifiable (length of client waiting, time of service provision, place of service provision, interest, fees, deadlines, etc.).
- ▶ **Functional (subjective quality)** - must be indicated from the point of view of satisfying the client's requirements. Subjective criteria are used to examine subjective quality -satisfaction research, complaints, etc.

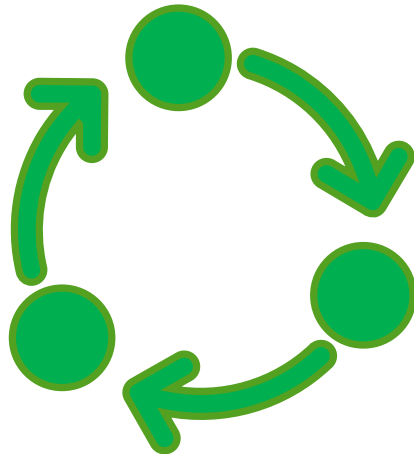


# COMMERCIAL BENEFITS FROM QUALITY SERVICES

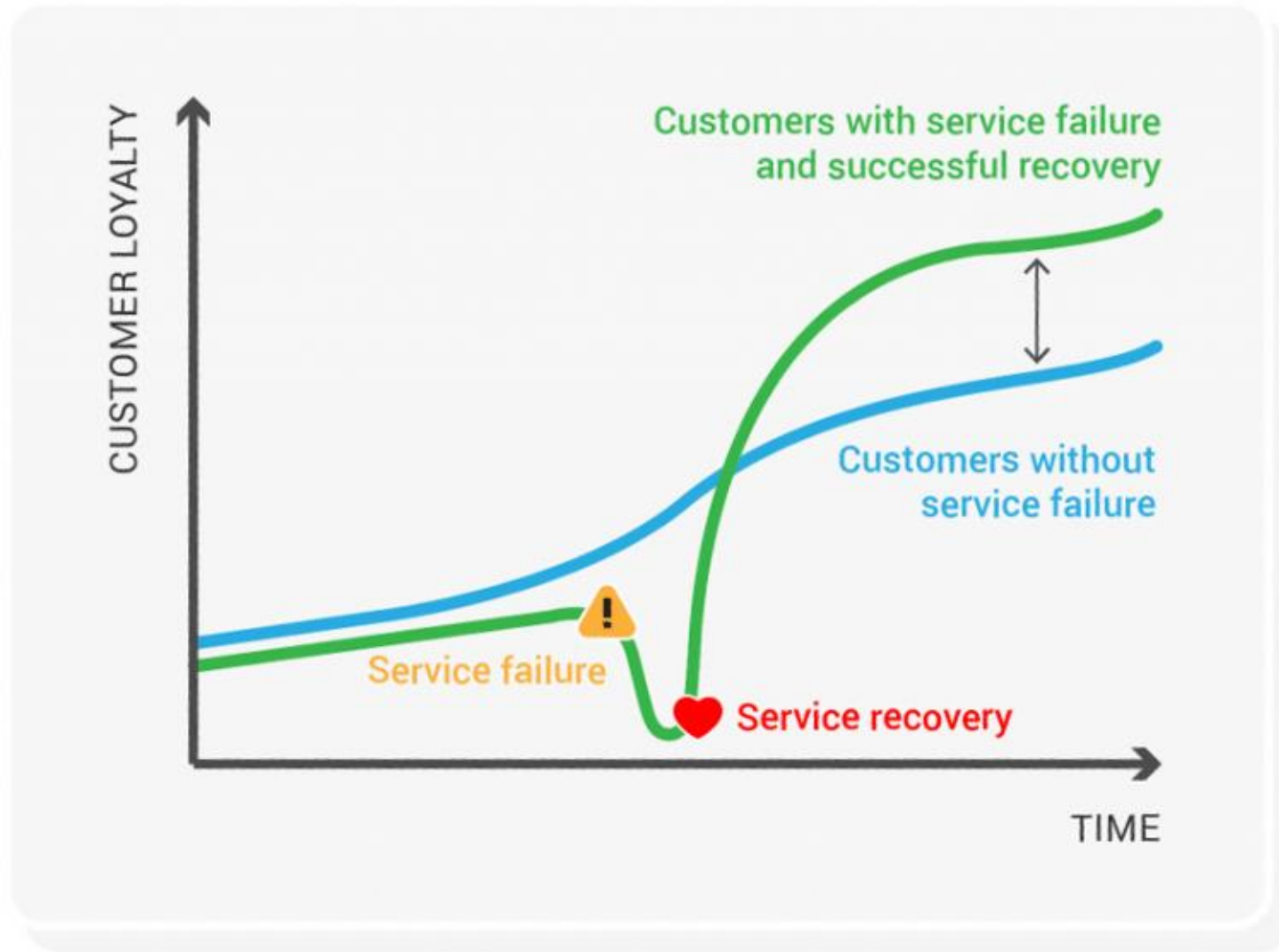
- ▶ **Offensive:** more customers interested in service (increase of market share and reputation improvement, ...).
- ▶ **Defensive:** customer retention (amortization of customer acquisition costs, value of purchases increase, positive references, ...).

# SERVICE -PROFIT CHAIN

- ▶ The long-term achieved high quality of services creates satisfied and loyal customers, which in turn is reflected in higher profit generation.
- ▶ If these obtained funds are invested into employees in various forms, it will affect their motivation and relationship with the employer.
- ▶ Motivated employees are, in turn, a guarantee of the quality of the services provided, which means satisfied and loyal customers.



# PARADOX OF SERVICES



Source: <https://www.customerthermometer.com/customer-retention-ideas/the-service-recovery-paradox/>

# QUALITY MANAGEMENT IN SERVICES

- ▶ **ISO standards** uncompromisingly require that all quality assurance activities in the organization are described and that the powers and responsibilities of employees are clearly defined. It is also expected from the organization that the given quality system is regularly revised.
- ▶ The ISO 9000 series standards are based on eight general principles:
  - ▶ customer focus,
  - ▶ knowledge,
  - ▶ employee engagement,
  - ▶ process approach,
  - ▶ system approach to management,
  - ▶ constant improvement,
  - ▶ fact-based decision making,
  - ▶ mutually beneficial supplier relationships.



# QUALITY MANAGEMENT IN SERVICES

- ▶ **The basis of TQM** is the idea that quality must permeate the entire culture of the organization and must be the business of every employee.
- ▶ Typical features of the TQM approach (based on ISO 9000 standards):
  - ▶ **TOTAL** - it involves the full involvement of all employees of the organization, both in the sense of including all activities from marketing to service, and the involvement of all employees including administration, security, etc.
  - ▶ **QUALITY** - it is a concept of quality, both in the direction of meeting customer expectations and as a multidimensional concept including not only the product, but also the process.
  - ▶ **MANAGEMENT** - management is included both from the point of view of strategic, tactical and operative management, as well as from the point of view of managerial activities - planning, motivation, leadership, control, etc.



# SELECTED SERVICE QUALITY MEASUREMENT METHODS

- ▶ Survey among customers
- ▶ Focus group
- ▶ Observation - mystery shopping
- ▶ Benchmarking
- ▶ Ongoing image research study
- ▶ Complaint survey
- ▶ Internal and external quality audit
- ▶ Grönroos model
- ▶ SERVQUAL model
- ▶ SEVPERF model
- ▶ Hierarchical and multidimensional model
- ▶ Indicators of customer satisfaction
- ▶ The EFQM model, which is based on the TQM approach



# SERVQUAL METHOD

- ▶ A method of measuring service quality developed in the 1980s in the USA and gradually revised and developed.
- ▶ Its cornerstone is the so-called paradigm of contradiction between customers' ideas and the kind of service provided to them.
- ▶ Here, three levels of service quality expectations can be established: the desired level (what the customer wants), the adequate level (the quality standard the customer is willing to accept), and the expected service level (the strong assumption that such a quality level will occur). **Based on these defined levels, the so-called quality tolerance zone is created.**

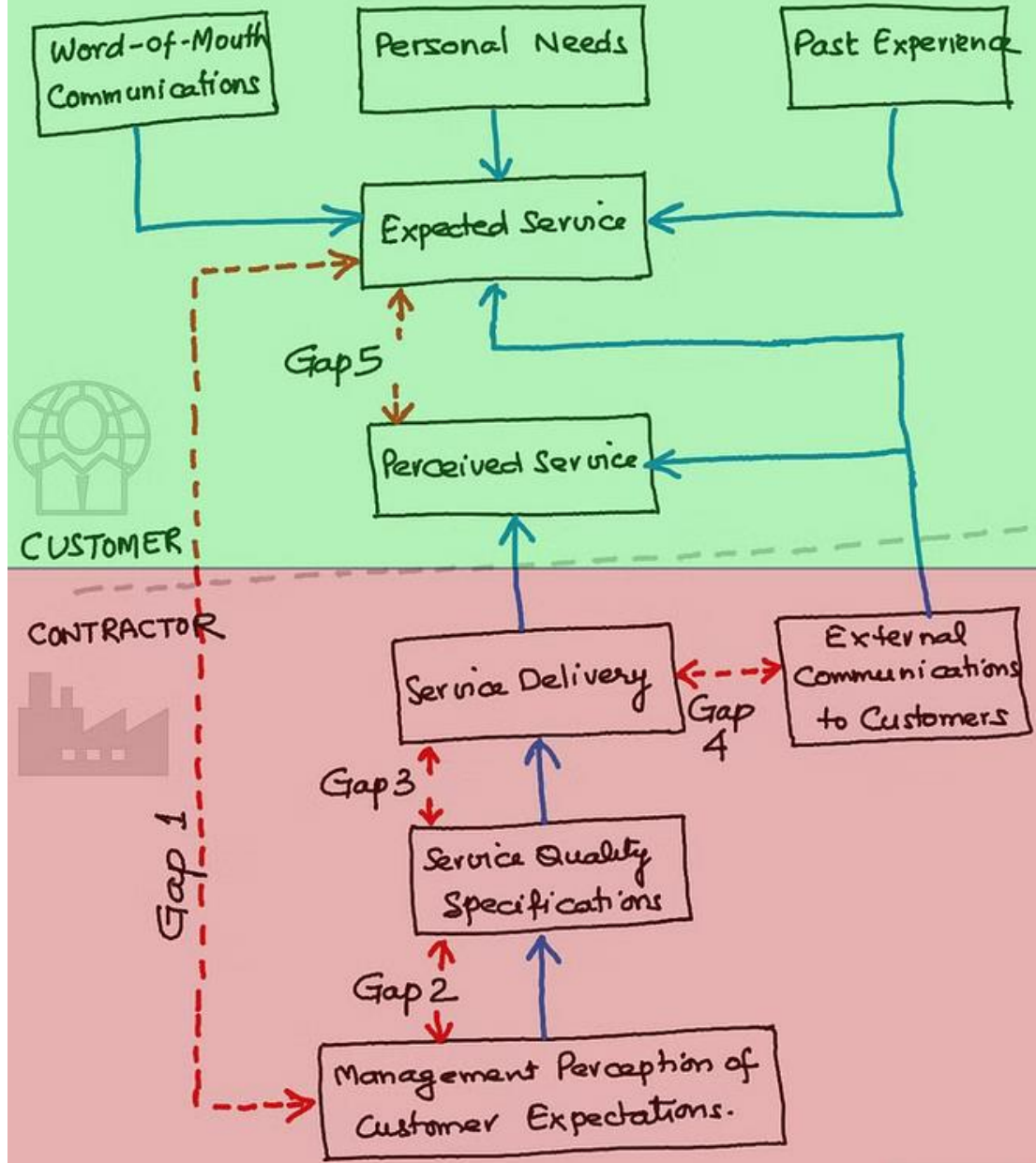
# SERVQUAL METHOD

- ▶ Research using the SERVQUAL method is based on the so-called **GAP model, i.e. gap model** . The methodology therefore works with the gaps between the individual components of the service provision process that the customer perceives:
- ▶ **Gap 1** - The difference between what the customer expects and what the company management thinks they expect.
- ▶ **Gap 2** - It occurs when there is a mismatch between the service characteristics created by the company and customer expectations.
- ▶ **Gap 3** - It occurs when service delivery systems (people, technology and processes) fail to meet the standards guaranteed to customers.
- ▶ **Gap 4** - It occurs when the company, through other media, proclaims a different level of service than it ultimately provides, it does not fulfill the promises from the advertisement.
- ▶ **Gap 5** - It is the result of all the previous gaps, the size of gaps 1 - 4 adds up to the resulting difference between what customers expect and what the company offers.

# SERVQUAL METHOD

- ▶ In order to be able to evaluate the gaps that are the cause of customer satisfaction or dissatisfaction with the service using the SERVQUAL method, we distinguish 5 dimensions:
- ▶ **Tangibles** - questionnaire questions No. 1 - 4, i.e. what the customer sees and comes into contact with, e.g. office equipment, company equipment, personnel, communication equipment, promotional materials, vehicle fleet, appropriate and elegant dress code, etc.
- ▶ **Reliability** - questionnaire questions No. 5 - 9, means whether the service is provided correctly and exactly according to the specifications (timeliness, correct solution the first time, error-free, resolution of complaints and questions, etc.).
- ▶ **Responsiveness** - questionnaire questions No. 10 - 13, whether the provider willingly helps and ensures fast service (information when the service will be provided, immediate provision of the service, readiness to solve customer requests, ability to help customers, etc.)
- ▶ **Assurance** - questionnaire questions No. 14 - 17, whether the company has the background and ability to ensure trust and satisfaction (respectful approach to customers, customer feeling safe when using the service, expertise to answer customer questions, employee behavior gives customers confidence, etc.)
- ▶ **Empathy** - questionnaire questions No. 18-22, whether the provider strives for an individual and sensitive approach to customers (individual attention, appropriate opening hours, customer first, understanding of specific customer needs, etc.) .

# ServQual Model.



Source: <https://www.qualitygurus.com/the-servqual-model-the-gap-model-of-service-quality/>