

# Chapter 3

## Service Quality

### STUDY OBJECTIVES

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Having completed this chapter, readers should be able to:

1. understand the differences between service quality management and the traditional (goods) quality management from a management perspective;
2. understand the distinctive process of service management, and the challenges faced by service managers;
3. understand the outcomes and importance of service quality management for companies; and
4. have a thorough understanding of the various service quality models and their application in the service-related industries.

### OUTLINE

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- ▶ Introduction
- ▶ Historic perspectives on quality
  - ▶ The early days of quality control
  - ▶ Post-war (World War II) developments
- ▶ The quality *gurus*
  - ▶ Dr. W. Edwards Deming (1900–1993)
  - ▶ Dr. Joseph M. Juran (1904–2008)
  - ▶ Philip Crosby (1926–2001)
- ▶ Economic impact of quality—Why quality is important
  - ▶ Product differentiation and competitive advantage
  - ▶ Market share and profitability
  - ▶ The cost of quality—Is it worth it?

Market and profit share  
Multiple consumption  
Nordic model  
Output quality  
Philip Crosby  
Process quality  
Product differentiation  
Quality control  
Quality cost  
Quality gurus  
Quality management  
Reliability

Responsiveness  
Service quality management  
Service quality measurement  
Service quality model  
SERVPERF model  
SERVQUAL model  
Statistical quality control  
Tangibles  
Total quality control (TQC)  
Total quality management (TQM)  
Two-dimensional model  
Zone of tolerance

## INTRODUCTION

In all industries, quality has long been recognized as essential to business survival. This chapter begins with an outline of the history and development of quality management and the contribution of quality *gurus* to the formation and promotion of quality control principles.

Although these general principles of quality management in manufacturing do have relevance to service industries, it must be recognized that service industries have characteristics not generally found in manufacturing (see Chapter 2). Service quality is therefore not the same as product quality, and the management of service quality is not the same as the management of goods quality.

Service quality is difficult to define and difficult to control, and various measures of service quality have been proposed. However, in the final analysis, the expectations and perceptions of customers are what matters in any assessment of service quality. Ultimately, the needs and expectations of customers guide the design of quality strategies in services.

As service academics have recognized a need to define service quality accurately, and as service practitioners have felt the need to manage it effectively with a view to a sustainable, competitive advantage, various ways of defining and measuring service quality have been introduced. This chapter presents some of the most significant service quality management theories, together with their implications for hospitality and tourism managers.



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