Quality of service in America

Quality of service in America Ai Teranishi

Outline

- 1. Introduction
 - Motivation : why I chose this topic
 - \cdot SERVQUAL models
 - The relationship between tipping and quality of service

2. Method

- \cdot Hypothesis
- Survey
- 3. Analysis
- 4. Conclusion
- 5. Limitations
- 6. Reference

Appendix

1. Introduction

Motivation

I chose this topic because in the future, I want to work for the service hospitality industry. I think the quality of service and what is thought to be good service are different between some countries, because they have different cultural backgrounds. I had discussed this topic with one Chinese and one Rumanian. At that time, we concluded that Chinese and Asian people see quickness and price as most important, and they made light of service. Rumanian and Europe people think if you go to expensive restaurants, you could receive good service, but if you go to cheap restaurants, you would receive poor service. Rumanian friend said, "you have to pay money for service." I think this is related to tip culture in western countries. However, this is just my guess, so I want to discover how good the service quality in America is, and what service is ideal in America.

This topic will become useful for all people. The market in the world is becoming mature, so to get many consumers, the differentiation is very important. To differentiate from other companies, the service would become a key point. Also, now countries' markets are connected to each other. Therefore, understanding the American market, which is one of biggest markets, would be helpful in a future job.

SERVQUAL model

SERVQUAL is a method of measuring the quality of service. There are 5 aspects in SERVQUAL; *reliability, assurance, tangibles, empathy,* and *responsiveness* (Parasuraman, ZeithamI and Berry/1985). Reliability is to perform service promised accurately and quickly. That is thought to be the most important in America. Assurance is to show they can provide their service with workers' knowledge and courtesy. Tangible is material goodness like facility and appearance of employees. Empathy is to consider the customer through adequate communication. Responsiveness is to provide service quickly and aggressively.

In addition to provision of service, the expectation will have big impact on how customers evaluate the service. I learned in my university that when the customers' expectation is higher than provision of service, they may feel dissatisfied. Whereas, when the provision of service is higher than the expectation, customers may feel satisfied. The customers' expectation is often effected by advertisement (Garvin/1987). If the advertisement is good, the expectation will be high. Otherwise, expectation could be low. To satisfy customers, advertisement is important.

There are 5 gaps which tend to happen when people give service. The first gap

3

is the difference between what customers except and what managers think they except. The second gap is between managers' perception and actual customers' experience. The third gap is between the experience specification and the delivery of the experience. The fourth gap is between the delivery of the customers' experience and what is communicated to customers. The fifth gap is between how customers perceive the experience and what the customers expect of the service (Parasuraman, ZeithamI and Berry/1985).

According to a survey by Saleh and Cuadro (1989), there are some factors in each element of SERVQUAL (chart 1). He graded how important each factor was in terms of managers' perception of customer expectations, managers' perception about service delivery, guests' perception of service and guests' expectation of service. Solving complaints is thought to be the most important for managers. Consumers are satisfied when their complaints are solved in a proper way. However, addressing guests by name is thought to be important for managers, but for customers, it is thought to be not so important. Clearly, there is a gap between thought of managers and customers exception. Addressing guests by name, informing about activities and giving advice to undecided guests are thought to be less important for guests' perception. Well dressed and neat, not offensive or sarcastic, and being polite to guests are what guests perceive as most important. Not being offensive or sarcastic, exhibiting good service and being polite to guests are what consumers except the most. Advising undecided guests, anticipating guests' needs, and serving individual needs are not expected by consumers.

4



Chart1: Some factors in each element of SERVQUAL

The relationship between tipping and quality of service

Tipping is a popular custom in America. When people receive service, they will pay money for tip. There is some relationship between tipping and quality of service. Tipping is useful for restaurateurs. They can use it to motivate employees to provide good service, know servers provide adequate service and identify dissatisfied customers (Michael Lynn/2001). So, I guess that people are likely to get better service in a restaurant where they have to pay tips.

2. Method

Hypothesis

In America, customers in restaurants can get service according to its price. Besides, American people regard service as important. Friendliness is thought to be the most important factor.

Survey

I asked my questionnaire to 20 people in Stanford campus. 9 are male and 11 are female. As demographical information, I asked their age, occupation and income. As you can guess, students' income a year is only 0~10k (\$). Most people who engage in other occupation earn over 101k in a year. Teacher and office worker were popular occupation.

3.Analysis

I asked how important service is. Then, 66.6% male answered very important, and 45% female answered extremely important and other 45% female answered very important. From this result, I can say almost all people think service is important. However, there are some characteristics. Males think service is important, but not so much. On the other side, Females think service is highly important (Graph 1).



Next, I asked where you can get good service. The result was that 10 people

answered they can receive great service almost everywhere in America, and 8 people answered they can get it in expensive restaurant (Chart 2). Surprisingly, in Japan, big companies train their employees very well. So, their service is so good. However, in America, only few people answered big companies' restaurants. So, maybe, there are strong relationship between price and service.

Chart 2: where you can get good service



The most interesting thing is about the important factor. I listed some factors of

SERVQUAL, and let people choose 5 important things. They chose factors in empathy and reliability most (Graph 2).

Graph 2: what is the most important factor of SERVQUAL



Above all, smile, good manners and being supportive are chosen the most. Then politeness, friendliness and knowledgeable are supported by a lot of people (Chart 3).



Chart 3: the important component of each SERVQUAL factor

From this result, we can understand how important communication and steadiness are. It is more important to do workers' own task perfectly than to do something in order to satisfy individual needs.

I also asked what people think is most important among service, price, convenience, and the product itself. Many people think the product itself is most important. However, many people answered service for the second. So, in total, service is thought to be most important. Surely, because product itself is the core of product, it should be the most important thing. However, service came to the second. It means service is very important when people sell products. (Chart 4, 5)

Chart 4: What people think the most important

Chart 5: Total of what people think the most important and the second important



Then, I'll look at results about tips. According to my survey, many people pay more tips when they get better service, yet, people whose income is 0~10k don't pay more tips every time but only sometimes (Graph 3).

Graph3: whether people pay more tips when they get better service



I can say that the amount of tip customer pay is usually in proportion to the quality of service they received.

However, about the question: do you think you can get better service in a restaurant where we have to pay tip, about half people answered sometimes. So, I can guess tip does not always motivate employees (Graph4).



Graph4: whether people get better service in a restaurant where they have to pay tip

In order to find out the effect of advertisement, I asked a few question about Applebee's. Out of 20 people, 7 people have been to Applebee's. They say the image that they got from it advertisement was cheap, clean and delicious food. After they went to Applebee's actually, 6 people felt the real impression of the restaurant is almost the same as the image from its advertisement. I think people have discretion, so they don't swallow the advertisement. Many people said Applebee's is just a family restaurant. However good the advertisement is, customers know it is just a family restaurant and we can't get higher service. Our expectation would not be so higher with only advertisement.

4. Conclusion

In America, there is a big gap of service quality based on price. We can get great service in expensive restaurants, but however big the company is, if it is cheap restaurant, we can't receive great service. Nevertheless, many American people think they can get good service in almost every restaurant.

Communication is very important service factor for American people. In general, there are many friendly people in America, so even if they are not conscious of good service, they may be able to give good service. That is the reason why many American think they can get good service everywhere.

Tipping can be an index whether server provided good service or not. However, maybe they don't motivate servers. That is to say, there is not direct relation between tipping and good service.

5. Limitation

This time, I asked my questionnaire to only people in Stanford campus. In general, people near Stanford are said to be comparatively rich. I think the income influences how important people think service is. So, I should have asked to more various kinds of people. Also, I failed doing survey perfectly, so in some questions, the data is not correct.

In addition to it, I guess there are some differences about how important service is between some cultures. It is better to compare quality of service in America to in Asia.

6. Reference

Farouk Saleh and Chris Ryan (1991)

«Analyzing Service Quality in the Hospitality Industry Using the SERVQUAL

Model》

Service Industries Journal July Vol. 11 Issue 3, p324-345

http://ezproxy.stanford.edu:2062/ehost/detail?sid=9688e10f-004c-4d86-a2a9-cfe3d74932 c5%40sessionmgr112&vid=1&hid=111&bdata=JnNpdGU9ZWhvc3QtbGl2ZSZzY29wZT 1zaXRl#db=bth&AN=6418203

Michael Lynn (2001)

《Restaurant Tipping and Service Quality》

Cornell Hotel and Restaurant Administration Quarterly p14-20

 $\underline{http://www.turismdurabil.ro/literatura/csr/articles/tipping\%20 and\%20 service\%20 qualiteratura/csr/articles/tipping\%20 qualiteratura/csr/art$

<u>y.pdf</u>

Appendix

Quality of service in America

1. How old are you?
$\Box under 17 \Box 18 \sim 22 \Box 23 \sim 30 \Box 31 \sim 40 \Box 41 \sim 50 \Box 51 \sim 60 \Box over 61$
2. What is your occupation?
student teacher Office worker worker at shop household
Other
3. How much is your house income a year?
\Box 0~10k \Box 11~30k \Box 31~60k \Box 61~100k \Box over 101k
4. What do you think is important? Please choose 5 answers and rank them.
smile well dressed good manners supportive help even
while busy
greet guest a.s.a.p solve complaints politeness friendliness
knowledgeable
individual treatment Conscientious Crespect guests
5. Where do you think can receive good service?
almost everywhere
shops, restaurants and hotels of big company(such as Mac Donald or
Starbucks)
\Box exclusive or expensive shops, restaurants and hotels (such as
Ritz-Carleton or other five-stars hotels and restaurants)

nowhere other
6. Do you pay more tip when you got better service?
yes no sometimes
7. Do you think you can get better service in a restaurant where we have to pay tip?
yes no sometimes
8. Name a company or store do you think provide you great service?
9. How important do you think service is?
extremely important very important slightly important not
important at all
10. What do you think is most important? Please rank these.
service (including atmosphere of store)
product itself
11. Do you know Applebee's?
□yes □no Applebee's
If you answered yes, Neighborhood Grill & Bar
12. What do you imagine from its advertisement?
perfect service cheep clean delicious food dirty blunt
distasteful food other
13. If you have been to Applebee's, how did you feel their advertisement matched the reality when you went there?
□totally different □ almost same □ same
14. What impression did you get at Applebees?
15. Please tell me great service you experienced?

16. Please tell me bad service you experienced?