

“Designing and Managing Services”

What is a Service?

A **service** is any act of performance that one party can offer another that is essentially intangible and does not result in the ownership of anything; its production may or may not be tied to a physical product.

Service Sectors

Government

Private
nonprofit

Business

Manufacturing

Retail

Categories of Service Mix



Pure tangible good

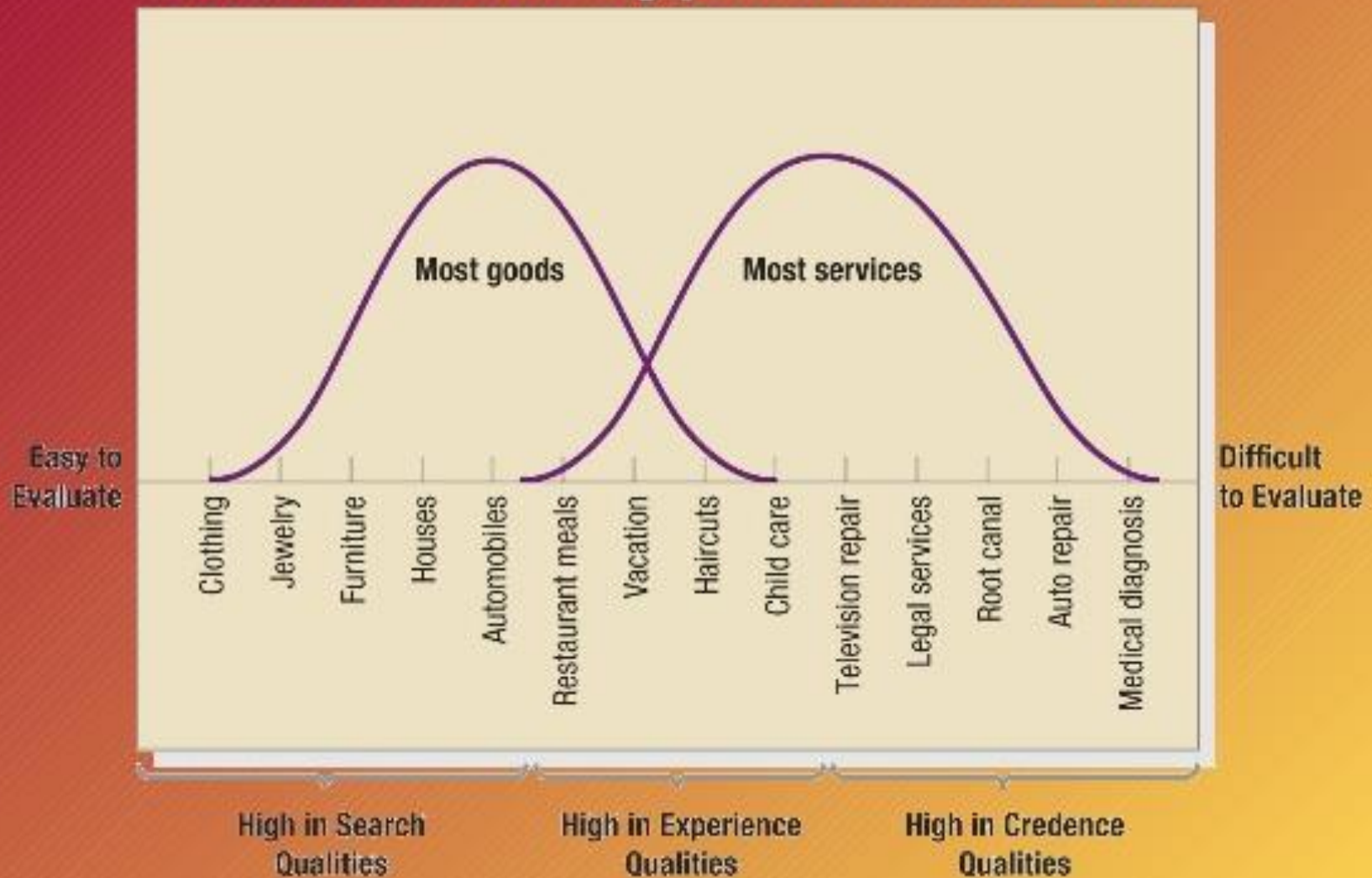
Good w/ accompanying services

Hybrid


Service w/ accompanying goods

Pure service

Figure 13.2 Continuum of Evaluation for Different Types of Products



Distinctive Characteristics of Services



Intangibility

Inseparability

Variability

Perishability

Physical Evidence and Presentation

Place

People

Equipment

Communication material

Symbols

Price



How to Increase Quality Control

Invest in good hiring and training procedures

Standardize the service-performance process

Monitor customer satisfaction

Improving Service Quality

- Listening
- Reliability
- Basic service
- Service design
- Recovery
- Surprising customers
- Fair play
- Teamwork
- Employee research
- Servant leadership

Table 13.1 Factors Leading to Customer Switching Behavior

- Pricing
- Inconvenience
- Core Service Failure
- Service Encounter Failures
- Response to Service Failure
- Competition
- Ethical Problems
- Involuntary Switching

Gaps That Cause Unsuccessful Service Delivery

- Gap between consumer expectation and management perception
- Gap between management perception and service-quality specifications
- Gap between service-quality specifications and service delivery
- Gap between service delivery and external communications
- Gap between perceived service and expected service