

Management perception of service quality in the hospitality industry

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Bachelor's Thesis
Degree Program in Hotel
Management
2013



Abstract

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Title of report Management perception of service quality in the hospitality industry..	Number of pages and appendices 56 + 39
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<p>The service industry has never been so competitive then it is today. In order to survive companies must focus on delivering quality to their customers and meeting their expectations. Management must make decisions on how to effectively improve business performance in order to compete in a highly competitive industry. Service quality is on of these focus areas.</p> <p>Theoretical knowledge on service quality management has presentated a great deal of models and theories for management to follow yet most interesting was the gap model which presented gaps which indicate lack of focus which negatively affect the outcome of service quality based on decisions by mangement. Management´s perception of service quality had the most affect on all decisions and was the focus of this study.</p> <p>The results yielded different perspectives on service quality and based on the variety of defintiion, different perceptions are formed based on different perspectives and resultls in different methods of managing service quality.</p> <p>The conclusion is that effictively manageming service quality starts with havign the right perception of service quality which relies on how much emphasis management puts in understanding their customers.</p>	
Keywords Competative industry, service quality, delivery of service, management´s perception, perceived service quality.	

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1 Introduction

1.1 Background information to this Study

Service Quality Management has been a popular topic throughout the years of my study career. It has continuously showed up in every subject or theme within my studies on the hospitality industry. Starting from basic demand versus supply theory to organizational theory as well as operations management and customer relationship management. There must have been a reason for this and the reason is that when the customer is king it means customer satisfaction is a priority and to some degree managing the quality of the service your provide is managing customer satisfaction. But this in turbn is based on own perception and understanding.

The actual reason of choice of this topic for this thesis came through a previous course I had taken called Hotel Business Operaitons Management and it's within this course where operations management was defined and the importance of service quality became clear. Operations management is about the management of the processes that produce or deliver goods and services, and all decisions made following this purpose affect the quantity of sales by the shape and size of products as well the profitability through prices and the quality of products and services given.

In one way the basis of these decisions dictate the quality of the products and services provided since these decisions are done in order to improve performance, profitability and customer satisfaction and therefor links the importance of quality in the continious process of improving your service delivery. Yett it all depends on what management deems more important then others. For example, management could make cost a priority instead of quality of service. Or management could put more emphasis on customer or client satisfaction, which in one way includes service quality. So managerial decision depend on the priority of the issues at hand, be it costs, client satisfaction or service quality.

Harris (1989, 2) states that management should never forget about other objectives as the measurement of managerial effectiveness depends on the getting the right balance

in priority and objectives to effectively improve the business performance. Because of this management cannot deem one issue to have more priority over the other, but must find the right balance and structure and distribute available resources evenly to reach departmental or organizational objectives.

This interest lead to the choosing of managing service quality as the main topic of this thesis and will be further linked to a managerial problem and structured into a research issue or problem definition in a later paragraph within this chapter.

Personally, further understanding this topic would help my professional career as to acting as a reminder of pitfalls in management and the importance of not loosing focus what's important, management of service moments and customer interaction.

1.2 Brief history of the topic

Service quality began in the early 1920's as a movement of inspection on products to ensure work completed by a worker deemed to be acceptable for the customer. In 1924 the movement of quality moved up into managerial thinking as Walter Shewhart designed the first control chart which involved a statistical processes control and a quality improvement program. (Best & Neuhauser, 2006, 142)

Although this type of quality was still focused around the end product, commonly known as product quality control and involved examining the end product as well as testing the product.

During the world war II , the military regime adopted standard into military strategic thinking as well, this then refered to as the American War Standards, deemed partially by William Deming, whose work proved important to the quality movement. In the late 1940's Mr. Deming worked in Japan where he applied his techniques in the improvement of Japan's Cencus which lead to the implementation of his techniques in many of the manufacturing factory's and resulted in high levels of quality and productivity. This result proved that having focussing on managing quality not only improves quality itself but also productivity.

In 1986 followed the introduction of what seems to be the initial true movement of TQM or Total Quality Management. Important names such as Juran, Roming and Deming where amongst the few names that pushed quality management towards what is today. This change on emphasis lead to changes such as job specializaiton focused on inspecting products and services during product intervals, change of emphasis from end-product to minimizing or preventing problems from occuring by detecting any problems early up the production line.

The concept of TQM was for management to streamline business effectiveness through a continues process on assessing and improving quality and productivity.

The latter would have been done by the restructuring of management practices, participation of all staff members with the use of knowledge and experience to realize strategic objectices and goals without neglecting the customer's perceived satisfaction. Nevertheless, TQM has different approaches but focusses on business ethics and purpose of the organization.

Today TQM is still an important element in an organizations business model. With the introduction of many models such as Six Sigma, EFQM Excellence model, or the ISO 9001 quality management standard, has made quality management much easier.

All of these models follow the same principle of enabling management to manage quality through process improvement tools and techniques such as Juran´s trilogy of quality management; Quality Planning, Quality Control and Quality Improvement. (Juran, 1988)

A question still lingers, how this all relates to managerial issues regarding the service industry

In the service industry, here mainly focussing on the hospitality industry, everything revolves around the customer. When it comes down to providing customer service, it is not what you, the service provider think servie is, it is the customer ultimately says

what it is. Customers all have different expectations about a location or hotel they are visiting, however, they all ultimately want the best possible service they can obtain at a hotel.

For management this requires providing a product and services of the quality expected and providing continuous customer service. Honestly this doesn't sound very simplistic. Within a hotel, there are different departments, different facilities offering different products sustained by a variety of services.

In this case strategic management are required to devise strategies that may involve alternative processes, services, activities utilized to sustain the continuous delivery of customer service the expected level of quality. (McCabe et al,2000,326)

However important it may be to have strategies with tactics to support the delivery of quality customer service, it is the actual delivery of service that brings forth the opportunity to create the most impact on the customer. One characteristic that is sure about hotels is that there is a high interaction with customers. And it is within these interactions, or moments of truth, where service delivery happens between customer and staff.

More importantly, because of the high levels of interaction between customer and staff, there is a vulnerability or possible weakness that something going wrong.

Therefore, operation management must manage and be aware of most customer interactions to ensure that each of moment of truth which occurs enhances the customer's perception of service instead of reducing it. Following departmental objectives to increase internal communication and cooperation between staff-staff and management-staff to sustain that high customer service is given. (McCabe et al, 2000, 326)

In addition to this, Fitzsimmons & Fitzsimmons (1994,23) indicate that because of the nature of the hospitality industry, namely; High labour and high interaction including customization, the main challenges for operational management include :

- Fighting cost increases
- Maintaining quality
- Reacting to customer processes
- Managing advancement of people delivering service
- Managing flat hierarchy with loose subordinate superior relationships
- Gaining employee loyalty

The main issues for management are then indicated as the actual development of a quality management strategy where for strategic management it includes ensuring that these strategies are implemented and evaluated on a long term scope whereas for operational management the main issues relate to the management of moment's of truth as well the management of internal cooperation, internal advancement of employee skills and knoweldege and the internal communication.

1.3 Purpose of Research & Research Questions

Therefore this study focusses on the management's perception of the service quality management process. Whether management understand what service quality is, what it means, how to manage quality, how customers evaluate quality, or what issues exist for operational management relating to management of service quality.

So to say, the problem definition regarding this study is how operational management perceive service quality in their properties. The aim of this problem definition is to understand whether operational management actually have the right understanding of what service quality is, the actually focal points or priorities and then the method of practice. This entails knowledge, attitude, and perception on the concept and actual practice of the concept.

An early assumption could be that the results would indicate negative implications towards management's actual understanding and awareness of service quality. But this is deemed to be proven at the end of this study. This is not a hypothesis, more a statement based on current knowledge and understanding so far.

Furthermore, in order to reach pivotal point in reaching a conclusion this study needs to answer the following research issues:

- What is the definition of service quality?
- What are the factors that influence service quality?
- Is there a process for service quality management? Any models?
- How service quality measured by customers and by management?

By addressing these core issues it will be possible to create an understanding what service quality is in total as well as having an assumption or expectation of how management should perceive service quality to be and its functions and applicability to operations. Having done this, the information would be used to benchmark against what is actually happening in the hospitality industry now a days.

1.4 Limitations of this Study

As to any type of study, there are limitations. For this study, the main area of focus is Hotels in the Helsinki city centre.

With further addition to the main purpose, this study centre's around hotel managers, mainly service managers on the operational level of the hierarchy. In addition, no exact number has been set on the hotels to involve in this study, but a presumption will be made that at least six out of the total hotels in Helsinki would participate depending on how busy these hotels are and whether they would like to participate in this study.

The conclusions of this study would be based on these limitations, the sample size and received data, whether what is outlined in theory is followed in practice as well as any possible focus for improvement in the field of practiced service quality.

1.5 Methodology in brief

As of any study, a research must be done in so to find results to point out conclusions. There for a research design or methodology is needed and should create a structure for following.

Figure 1 – Research framework, is meant to set the parameters of this research. In other word, it's meant to set the scope of which this study will be conducted in phases. As shown below, my study process is set to take place in three phases.

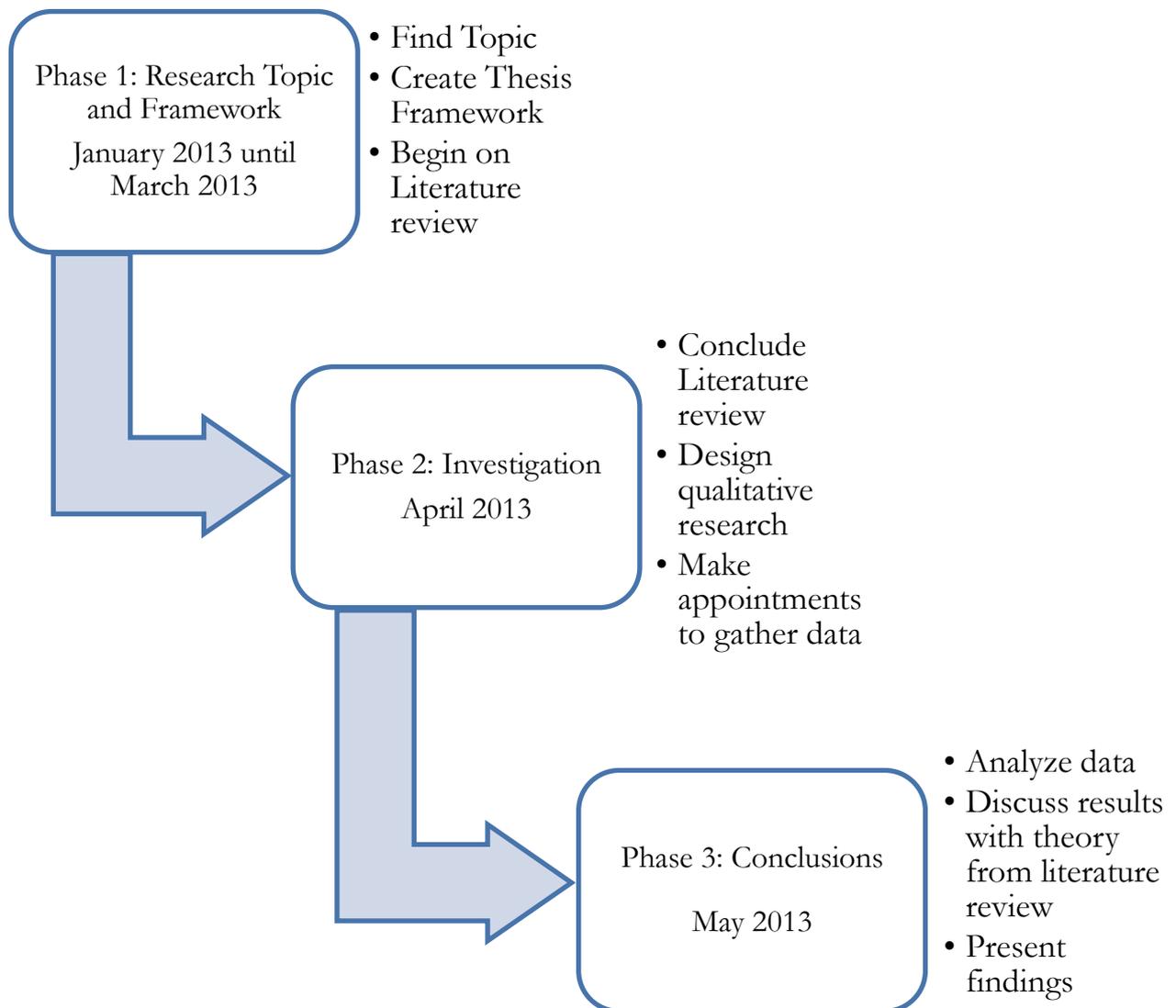


Figure 1 – Research framework

Phase 1, focusses choosing a research topic an area to conduct this study. Furthermore, it also included the creation of this research design and its research question and give way to a start of investigating literature on the research topic.

In relation to the research part itself this phase would contribute by setting the problem definition on which the research should cover.

Phase 2, contained the finding and conclusion of the literature review as to constructing the adequate knowledge on the research topic where the method of collecting the necessary data needed to conclude the purpose of this research was chosen.

In addition, different service managers of different hotels within the Helsinki City Centre area would be contacted as to agreeing for taking part in the research and set a date for scheduling interviews.

Having analysed the situation, interviews will be held with service managers to understand their individual and personal perception of service quality and its uses.

Phase 3, concerns the final decoding of the empirical study and the discussion between the literature review and the findings which then concludes the purpose of understand the perception towards service quality measurements in the hospitality industry.

Last but not least, having done this the conclusions would indicate that either operational management have the right perception on service quality.

2 Literature Review

The purpose of this literature review is to go through theoretical work from a series of authors in order to reach an understanding on the key concepts of managing service quality. Furthermore within this chapter, the research questions proposed in the previous chapters would be answered and proper insight would be reached for the development of research objectives. A research objective would regard managerial related issues relating to the topic of this thesis.

2.1 Defining service quality

First of all, what is service quality? Understanding how service and quality are related to each other will be the first key concept to understand.

2.1.1 Service

Grönroos (1990, 25) states that any physical product can be turned into a service to a customer if the one person selling the service provided the service is made into a solution to meet the demand of a customer

Blois (1974, 157, in Gronroos 1990, 26) points out that services are activities offered for sale which for the buyer presents benefits and satisfaction.

Stanton (1974, 545, in Gronroos 1990, 26) defines services as intangible activities which provide satisfaction when marketed to consumers which are not tied to the sale of a product or another service.

As there are a vast amount of definitions made on service throughout literature, Grönroos (1990, 27) blended from the several definitions which is more identifiable:

“A service is an activity or series of activities of more or less intangible nature that normally, but not necessarily, takes place in interactions between the customer and service employees and/ or physical resources or goods and/ or systems of the service provider, which are provided as solutions to customer problems.

In order to further understand what service actually means and entails, table 1 is there for proposed to shine light on this matter.

Table 1. Characteristics of service. (Gronroos, 1990, 26)

Physical goods	Services
Tangible	Intangible
Homogeneous	Heterogeneous
Production and distribution separated from consumption	Production, distribution and consumption happen in simultaneous processes
A thing	An activity or process
Core value produced in factory	Core value produced in buyer-seller interactions
No customer participation in production process	Customer participate in production
Can be kept in stock	Cannot be kept in stock (Perishable)
Transfer of ownership	No transfer of ownership

The differences in characteristics between products and services are shown in table 1

The most important characteristics that separate services from goods are that services are intangible, are a process or an activity, are produced and consumed at the same moment and customers participate to some extent. Another interesting characteristic about services is that most of the time a good or product is used within the service itself.

2.1.2 Quality

Quality has as well been defined in many different ways in many different literatures. Juran (1988) identified quality as an attribute which relates to the customer. More interesting is in which perspective quality is defined. For example, Grönroos (1990, 36) defines quality as what the customer perceives it to be where as Juran (1988, 21) defines quality as the features of products or services which meet the expectations of customers and lead to customer satisfaction.

The relationship between both definitions is that quality is a result of an activity. Grönroos depicts it as the result as the customer perceives it to be whereas Juran depicts it to be the result of having met the expectations of a customer in the sense of satisfaction.

Fitzsimmons (1994, 189) as well indicates quality as being the result of an activity, but in turn states that actual the assessment of quality is done during the service delivery process which usually takes place within an encounter between a customer and an employee.

For these reasons, quality can then be understood as the result of being satisfied or not after having assessed the quality during a service delivery process or staff-customer contact depending on the delivery of the service in terms of having met the expectations of a customer or not.

2.1.3 Service Quality

The nature of service is defined as being an activity which involves a product or a good and is provided as a solution to meet a customer's demand and that quality is the result of being satisfied or not after having evaluated if a service as well as the service delivery met the expectations of a customer.

Nevertheless, this is deemed to be perception of the person receiving the service and the quality then depends if the service met the needs, wants and expectations of that specific customers. Within this story, service quality is seen as the total assessment of how well a service provided meets the expectations of the customer. (Zeithaml, Berry & Parasuraman 1988, 35) & (Parasuraman, Zeithaml & Berry, 1988, 15)

Service quality for businesses is no different than it is for the customer. However the use is different. Service quality is used more as an instrument of measurement of performance relating to the expectations of customers. For customers service quality is the difference between what is wanted, needed expected and the actual service.

This in turn results in customer satisfaction or not and it's is this satisfaction or not which determines service quality for business as perceived by from the customer. The fact that customers are getting satisfied or not by the services provided determines how well business is performing as perceived by the customer and this information is used to improve services, identify problems and better assess customer satisfaction.

In light of the many statements on the subject, an own definition of service quality is proposed, namely; service quality is the result of relationship between customer expectations which are derived prior to service delivery versus customer experience which occurs service delivery which is highly dependable on the performance, attitude and behaviour of a contact employee guided by the involvement of management in terms of trainings, motivations, leadership and commitment.

The reason why the proposed definition of service quality involves a managerial component is because the fact that one this study revolves around managerial involvement in managing service quality as well as the perspective of the open systems view of service operations, seen as figure 2, which shows operational management's functions and responsibilities in relation to the total service experience.

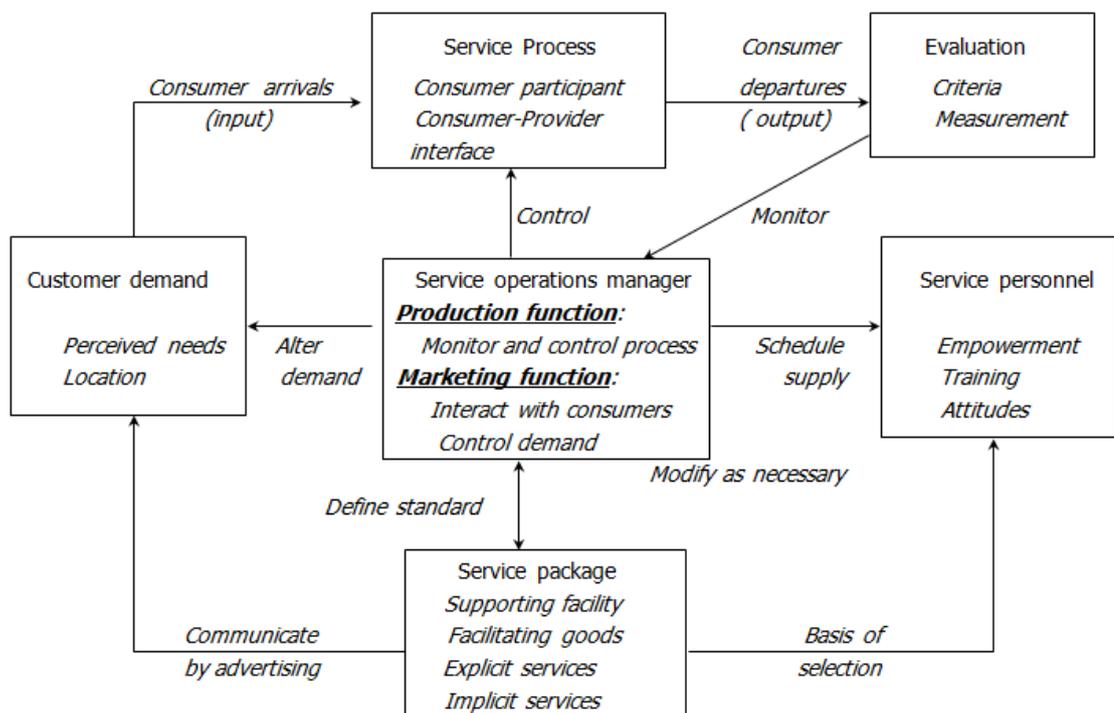


Figure 2. Open-systems view of service operations. (Fitzsimmons & Fitzsimmons, 1994, 32)

As is seen in figure 2, management has a direct effect on the delivery of service through trainings, empowerment and attitude on service staff and it's these service staff which dictate the outcome of the service delivery hence showing the importance of operations management indirect role in service quality.

2.2 Factors that determine Service Quality

As it is now quite clear, from the customer perspective, service quality is determined by the result between customer expectations and customer experience during service delivery, what is not yet clear is what is affecting the two.

Grönroos (1990, 41) indicated that for each element of perceived service quality (Expectations vs. Experience) there are underlying factors influencing the outcome of the two; perceived service quality.

First of all, as can be seen from figure 3, expected quality is derived from external factors which together create a picture of *what* is to be expected and *how* this is to be expected. As seen these factors derive from external communication from a company to the customer through marketing campaigns and programs, the image create by communication from peers from word to mouth including social platform communication and lastly completed by the needs of the customer itself.

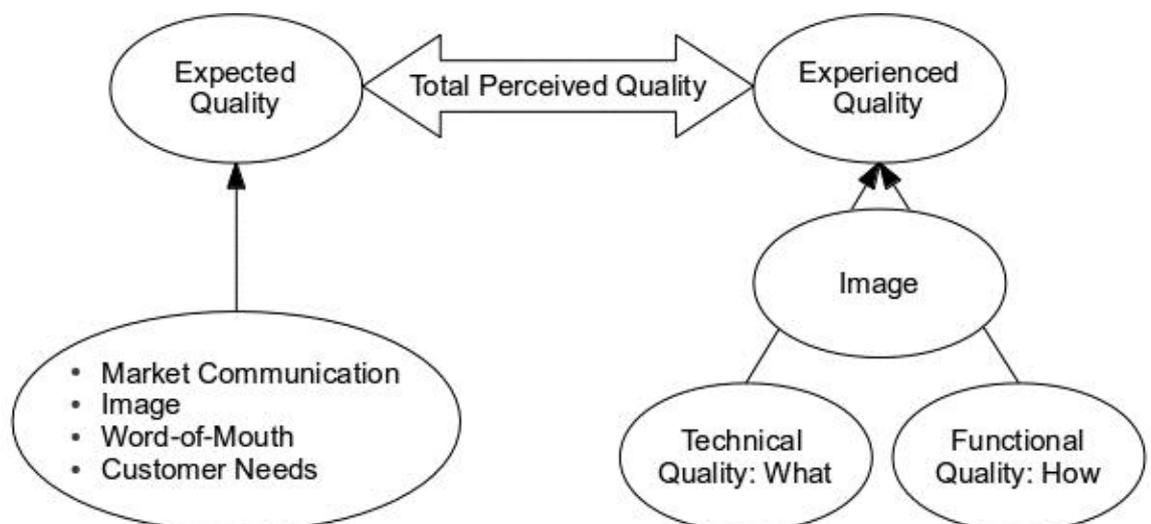


Figure 3. Total perceive quality. (Grönroos, 1990, 41)

2.2.1 Factors relating to expected quality

Market communication includes all that a marketing department can do to reach the customer and persuade them to purchase their product or services, which includes advertising, direct mail, public relations and sales campaigns which are fully controlled by the company itself.

This indicates that a part of what the customer expects is created by the company itself.

Word of mouth is a factor which is highly influenced by what previous consumers of the service or products being sold have said or are saying, which can either be good or bad depending on whether the expectations of these previous customers have been met or not. This then means that a company has partial influence on what is being said about it, in the sense that whether, the expectations of their customers are met or not directly influences the positivity or negativity of what their customers are saying. This is the same for *Image*.

Customer needs is based on the gravity of the need itself, meaning how important is the need of a customer. For example, if a customer is looking for a hotel, in this case the service which is needed is a room to stay in, the higher the need, the more is expected and vice versa.

Total expected quality can then be understood as that what the customer expects of the service by what he or she has heard from friends, colleagues or family but also by how much effort and efficiency the company has put to successfully reach the intended target segment and is highly influenced by the image an organization has.

2.2.2 Factors relating to experienced quality

Secondly, the quality of a service as experienced may be perceived by customers, depends on two dimensions, the Technical and Functional dimensions or the 'what' and the 'how' (Grönroos, 1990, 38)

The technical service refers to what customers receive in their interaction with the company. Grönroos (1990, 38) explains it as what they receive in a service encounter but also what they are left with after a service encounter. It can also be seen as the quality of the product which is offered during the service encounter.

As an example, the technical aspect during a service encounter relating to the hospitality industry, is the hotel, the appeal of the lobby but it can also be seen as the service, so the check in process, the accessibility of check in desks not to forget the appearance of contact staff.

The functional service however represents the quality of the process. This can be explained as how the service encounter or moment of truths is taken care of including how the service provider functions throughout the encounter. In other words, how a customer receives a service. For example, was the service provided in a timely manner? During check in, did the front desk agent perform his or her duties capably? Did he or she know precisely what to do? These are factors which influence how a customer experiences a service when it is provided.

Interesting enough there is no clear justification yet, which factors influence experienced quality the most and which characteristic of these factor have the most influence. More details on this matter may arise later on.

At this current moment, it can be understood that customer derive their judgment of service quality in terms of satisfaction. This satisfaction is based on whether expectations prior to service delivery were met post service delivery. This information is used by businesses to identify issues to improve service delivery and service quality. What is yet not completely known is where customers base there assumptions on.

To identify the basis of these assumptions, it must be understood that if an expectation is not met by service delivery an issue may present itself. This “issue’ is later presented as a “gap“. Zeithaml et al. (1988) further elaboration on these Gaps will follow briefly.

Parasuraman et al. (1985, 47) proposed ten determinants where customers base their assumptions of service quality on. A detailed overview of these ten determinants of service quality can be found under attachment one in the attachments starting at page 53.

These determinants were reduced based on a large-scale quantitative study by Zeithaml et al. (1988) where each determinant was statistically analysed and the result of the data was used to find connections and relationships and therefore reduce the number of determinants to five. (Grönroos, 1990, 43)

The five determinants are:

- Tangibles: *Concerns physical facilities, equipment, and the appearance of personnel.*
- Reliability: *The ability to perform the promised service dependably and accurately.*
- Responsiveness: *The willingness to help customers and provide prompt service.*
- Assurance: *The knowledge and courtesy of employees and their ability to inspire trust and confidence.*
- Empathy: *Caring, individualized attention that the company provides to its customers*

Of the five determinants, *tangibles* relate to the technical quality seen in figure 3 whereas the other four determinants, *reliability*, *responsiveness*, *assurance* and *empathy*, relate to the functional quality seen in figure 3 because the latter are experience properties as explained by Parasuraman et al. (1985, 48) as these can only be known as the customer is purchasing or consuming the service. In other words, these factors can only be determined during a service encounter.

However *tangibles* relate to the technical aspect of service quality, it also relates to the expectation quality through external communication or social communication and word of mouth from prior consumption of services by other customers.

Additional criteria for the evaluation of service quality according to Grönroos (1990, 47) are the Six Criteria of Good Perceived Service Quality;

- Professionalism and Skills: *The knowledge and skills employees possess to solve problems in a professional way as well as having the right operational systems and physical resources to resolve issues or provide a service (technical quality related)*
- Attitudes and Behaviour: *The concern and interest service employees possess in solving problems in a friendly and spontaneous way (functional quality related)*
- Accessibility and Flexibility: *Location, operating hours, employees, systems, design and operation itself are structured in such a way which deem it easy for the customer to access a service or product are as well prepared to adjust to the demand of a customer (functional quality related)*
- Reliability and Trustworthiness: *The ability to keep promises and perform with the best interest of the customer at heart.*
- Recovery: *The ability to effectively respond to unpredictable and unexpected events and actively take actions to keep a situation under control and find the best solution (functional quality related)*
- Reputation and Credibility: *The belief of being trusted as well as providing the adequate value for money for good performances and values shared by the customer and the service provided (technical quality related)*

2.3 Managing perceived service quality

Previously was discussed that total perceived service quality is determined by comparing customer expectations to customer experience. The two dimensions each have underlying factors for determining the quality of each. Expectations are created prior to arrival and are based on external communication, social interaction/communication of social media and finalized by a customer's individual needs.

These are all measured against the actual service delivery and whether this has met the expectations. Secondly, it is understood that customers based these assumptions on a list of criteria relating to the technical and functional outcome of and during a service. However the actual management of customer perceived service quality is a complex process, which starts with understanding what perceived service quality is and the underlying factors behind it, which we previously covered, yet it doesn't end there.

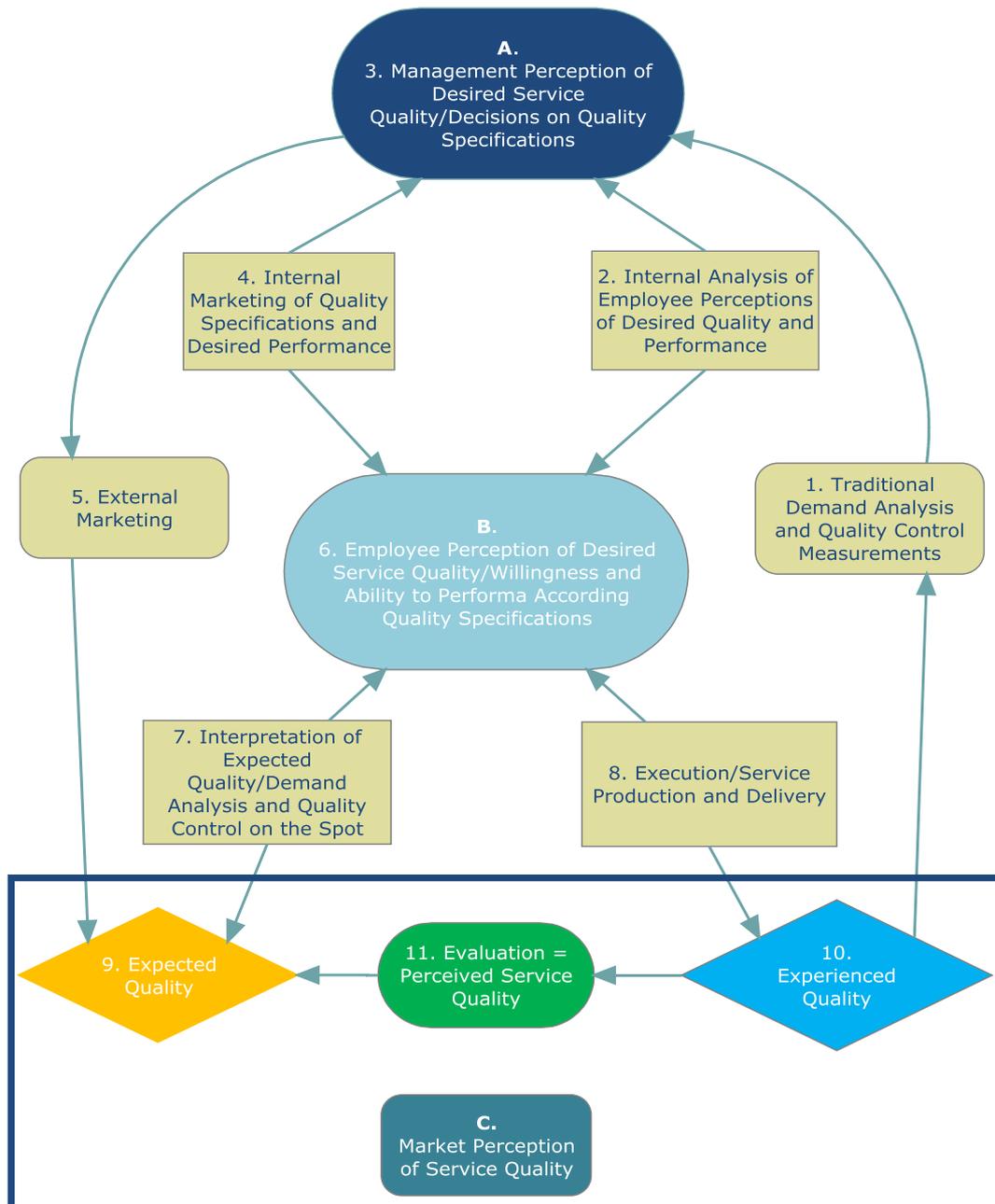


Figure 4. A general framework for managing service quality (Grönroos, 1990, 55)

Figure 4 – a service quality management framework, presents a framework which provides roles and a criteria for management to use as a framework to management perceived service quality. (Letters and numbers in text refer to letter and numbers in figure-4)

First of all, the box indicates how perceived service quality happens, namely; the difference between expectations and experience.

Secondly, there are three groups of input, A. Management, B. Employees and C. Customers. On the *Management* level, policies and standards are set to be followed by employees. An analysis of market demands and requirements concerning quality (1) and of internal perceptions of quality level and performance amongst employees (2) are initiated.

Curious enough, analysing market demands and requirements concerning quality are obtained posts customer experience so to get more understanding regarding perception of service quality (11). With this information, management can then decide on the quality specifications (3). What are the important aspects which customers find important, which dimensions influences customer satisfaction the most and so on. Then on follows the implementation of these quality specifications (4) in the format of policies and procedures which would reflect in the service delivery.

External communication (5) based on policies and desired service quality is transfer from marketing over to the customer whereas measurements for control are immediately developed (1).

Employees on the other hand, are more involved in the meeting of operational, quality and performance standards that were set (3). Different employees depending on their skills, knowledge or motivation would perceive the quality specifications differently and to certain extend would be willing to perform according the specified standards (6). During service delivery (8) employees interacting with customers are able to notice any discrepancies in service delivery and have the opportunity to react to any signals

and flexibly adjust to customer demands. These employees are empowered to react to wishes and demand as well as communicating any changes in demand or quality (7).

Lastly, *customers* dictate whether the quality meets their expectations or is acceptable or not. As all different customers have different expectations of quality (9) as well as having different experiences (10). The outcome (11) then depends on what they had received including how they received it within the service encounter with a service staff. The quality is then evaluated by the customers and results in perceived service quality (11) in the means of satisfaction.

At this moment, this framework in a way presents some insights in the management of service quality in the means of firstly presenting the clear roles of management, employees and customers how each role affects the outcome of service quality and secondly how important it is to understand service quality from the customers point of view to begin with and with this information follow up on what are the most important factors determining service quality for customer and developing quality specifications around these which would later on be implemented and actually followed through by service employees.

Curiously enough the external communications and its impact on expectations have yet to be explained. In figure 4, external marketing follows the management's decision of quality specifications and it's perception of desired quality. However it may be perceived that external marketing must continuously be re-assessed following demand analysis and quality control measurements to ensure that valid information is used and that the decisions are based on valid arguments. The re-assessment would show insights in whether the expectations created by external marketing match with actual service delivery as to not over promise what cannot be delivered.

Another curious development is the actual internalization of the desired performance of the desired quality. Mainly how the service specifications are actually translated during service delivery (6). As different employees have different perspective of what is expected of them to deliver, their skills and as well their willingness to perform according to the specified policies and procedures, the pitfall remains that if the

procedures relating the specifications are clear and explained in detail of processes then how sure can it be that service delivery will follow these specifications?

Gummesson (1988 in Grönroos, 1990, 57) explains that for the sake of maintaining good and consistent service quality, a service design must be available prior to implementation of service quality strategies and should not be an object or tool for corrective actions after mistakes have happened during services. One reason explained by Gummesson (1988 in Grönroos, 1990, 57) is that there is no traditional way of designing a service, although this may not be entirely true, management might not be entirely aware of the concept of service design or would be interested in blueprinting a service.

Another reason could be that the planning of designing services and processes is not in the hand of the employees who have the knowledge on customer needs and demands within the market they are competing in. So to say, if a service is not well designed, quality problems will follow. (Grönroos, 1990, 57)

In order to gain a better chance of increasing customer satisfaction and service quality, management should assess their customers, understanding their expectations, plan the desired outcome and processes and implement the solutions for improvement. For this case, service design or service blue printing are great techniques for improving service quality.

2.3.1 Gaps of Service Quality

Now that the requirements for service quality are understood and a framework has been established for management in managing service quality, a new approach is introduced for analysing the sources of quality related problems which would help management understand how service quality can be improved, namely the Gap Model. (Fitzsimmons, 1994, 191)

The Gap model was introduced by Zeithaml et al. (1988, 36) and was intended for improving service quality management. Perceived service quality is the result of

meeting expectations and if these expectations are not met a gap arises, namely Gap 5 as illustrated in figure 5.

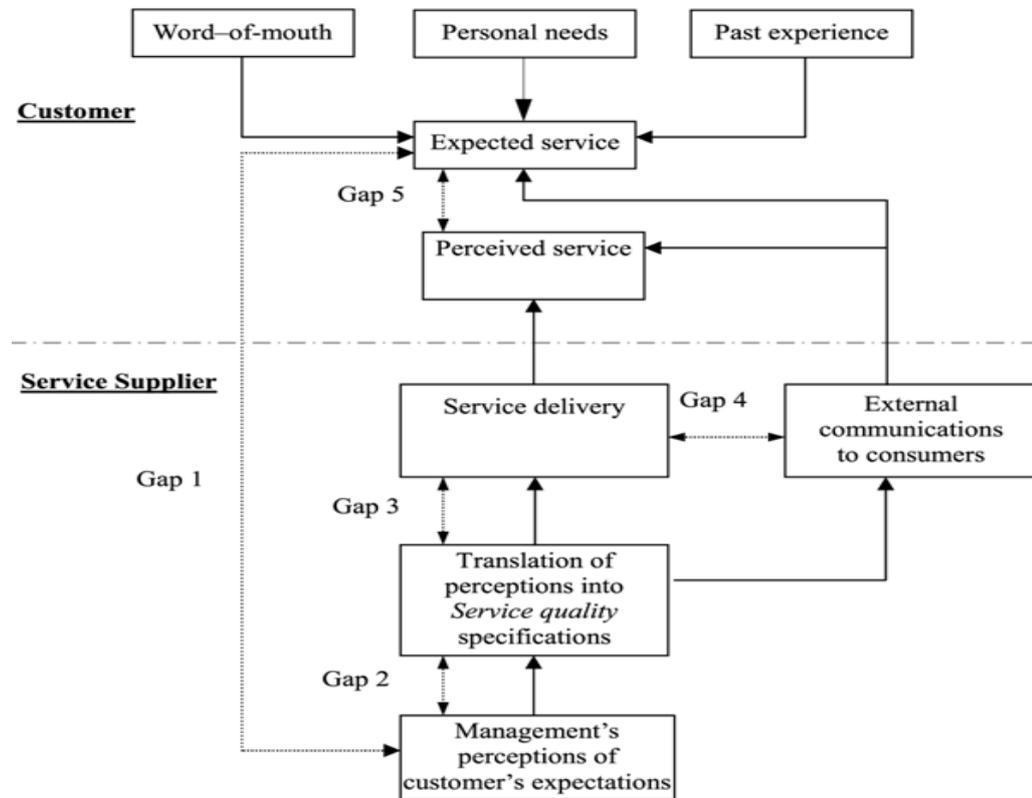


Figure 5. The Gap analysis model (Zeithaml et al. 1988, 36)

The Gap model (figure 5) first of all illustrates how service quality emerges, whereas the upper part of the model revolves around the customers and its role whereas the lower part revolves around the service provider or management. It can be noticed that the expected service is defined by external activities now including past experiences as well, namely from other customers whom share their experiences on social media or passed experiences of a returning customer.

However, the experienced quality is now referred to as perceived service. Perceived service due to different customers perceiving service differently and assess these dimensions differently as well. But more importantly, it shows how perceived service is much more influenced by the outcome of internal or managerial decisions. The main component here is the perceptions of consumer expectations by management.

This component guides the process of specifying policies which would be later translated into service delivery which then result in the experience quality a guest experiences. Interesting enough, here in figure 5, it does show the link between external communications and how it affects perceived service as well as affecting expected service.

As can be seen, there are five issues occurring in figure 5. These issues are referred to as quality gaps and each gap is a result of inconsistencies in the quality management process itself.

Here-on follows the description of the 5 quality gaps and a discussion relating to management of service quality.

Gap 1: The Management Perception Gap represents the difference between consumer expectations to management's perception of these expectations.

This gap essentially states that service managers or executives don't always understand which features ideally suggest high quality to customers in advance but also which features a service must have to meet the needs of customers and what levels of performance those features must have to deliver high quality service. (Parasuraman et al. 1985, 44)

Grönroos (1990, 60) argued that this gap is based on inaccurate information from market research and demand analysis, inaccurate interpretation of customer expectations or that the structure of an organization prevents information to flow accurately without altering the information. Essentially this gap indicates a flaw in understanding your customers and what they want and need.

Sad yet true, if you don't understand what your customers want and need and what they expect from you, it automatically makes all your decisions which follow redundant in the sense that all that you offer will not be in line with that which your customer wanted to begin with and will lead to an unsatisfied customer.

Gap 2: The Quality Specification Gap represents the difference in how management understand their customers' expectations to be and sets service standards or operating procedures to meet these expectations, naturally as mentioned in Gap 1, if one does not understand what is expected all decisions will not be in line with the actual expectations customer have.

In addition, Parasuraman et al. (1985, 45) explains not only misinterpreting your customer's expectations can lead to wrong decisions but also a variety of other factors which negatively affect the ability to meet customer expectations, namely, shortage on resources; i.e. such as staff, where having a shortage on staff can lead to undesired situations such as long queues, market conditions or management indifference between what customers want and expect from a service.

Grönroos (1990, 61) states that the quality specification gap is a result of insufficient planning and or procedures, lack of goal setting in the organization and insufficient support for planning for by top management. This can be seen in a way as a shortage of the necessary resources to reach customer expectations.

Furthermore, an alteration in priorities may lead to better goal setting and planning of procedures if top management is involved. If management lacks to see quality which is perceived by customers as less important profitability, then service quality could not be used to reach a competitive advantage as commitment to service quality amongst management is more important to closing the gap then setting goals or planning for procedures. (Grönroos, 1990, 61)

Gap 3: The service Delivery Gap represents the difference between what management set as specification for service and how that service is actually delivered.

In other words how the standards or procedures are being followed by staff.

This gap shows that no matter how well of guidelines exist for performing services and treating consumers correctly, it's how they are actually done or performed that has a greater impact on the service quality perceived by consumers.

In addition, employee performance cannot be standardized since every employee works differently. The concept staff performance is a variable that is dependent on how an employee puts effort in following SOP's and his or her attitude and behaviour towards the service he or she provides. (Parasuraman et al., 1985, 45)

According to Grönroos (1990, 62) the result of gap number 3 is that of complex specifications or disagreement by employees towards specifications; i.e. good service quality requires a certain behaviour at different times, the specifications don't go hand in hand with the organizational culture or values but can also be due to lack of internal motivation, trainings or technology and systems to support services according to the specified conditions management have set.

If there isn't support or enough competency as well as motivation then no matter how well the guidelines are set, service delivery won't meet what management have specified what service quality should be.

Gap 4: The Market Communication Gap represents the difference between what was promised by market communications and what was actually delivered by the service provider. It has been long a fault by many organizations to promise more than what they can actually deliver and as expectations plays a major role in perceptions of quality, then one must certainly not over promise something that cannot be achieved.

Grönroos (1990, 64) argues that overpromising and not delivering is due to marketing communications planning not being part or integrated with service operations, a lack between communication and cooperation between marketing and operational departments or that the operational departments fail to perform according to the specifications but the market communication does perform according to the specifications.

If there is no coordinating mechanism or system, the above mentioned situation shall occur.

The first four gaps (Gap 1, Gap 2, Gap 3 and Gap 4) should be seen as functions in the way a service is delivered and Gap 5 relates to the customer on how he or she experiences this service.

Therefore, Gap 5 is used as the measurement of the outcome of the total functions of Gaps 1 to 4 and whether these functions lead to meeting the customer's expectations.

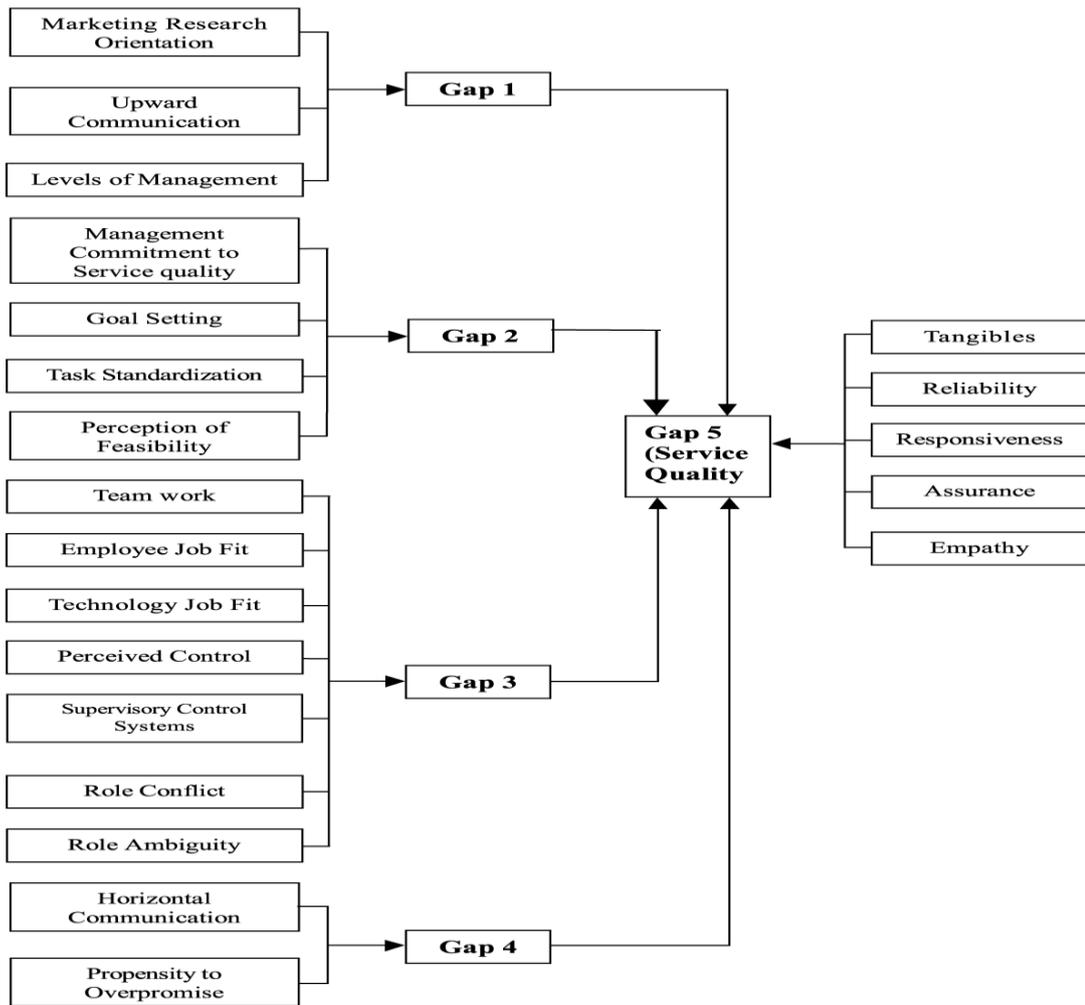
Following the above discussion, the importance of understanding your guest is now clear. Based on the Gap model, one could notice the chain of affects that the first gap has, namely management's perception of customer expectations creates.

Incorrect information/understanding of your customers leads to a negative translation into specifications of service quality which then affects service delivery.

More importantly, having misunderstood your guest's needs and eventual a wrongful understanding of your customer's expectations would result in a negative translation of priorities regarding planning, procedures with purpose of meeting the expectations of your customers.

Hence if at first you get it wrong, everything which follows that is based on this understanding is immediately redundant. This alone makes it a priority to understand your customers.

Because of each gap is due to number of underlying factors which aren't originally understood by figure 5, led to the extension of the original gap model by Parasuraman et al. (1988) to the now extended gap model by Zeithaml et al. (1988) which can be seen as figure 6.



Source: Zeithaml *et al.* (1988)

Figure 6. Extended Gap Model (Zeithaml *et al.* (1988, 37

The intentions were to gain insights on theoretical constructs and variables behind each of the five gaps.

For a detailed overview and explanation of each theoretical construct and variable please refer to attachment two in the attachments starting from page 56.

2.4 Measuring Service Quality

SERVQUAL is a multiple-item scale that can be used to better understand the service expectations and perceptions from the customer point of view customers and therefore be able to improve service based on the findings for further development of either quality service or value proposition for the customer. The scale was based on the

ten dimensions of service quality and at first contained 97 items, approximately 10 items per dimensions with a few exceptions, and was based on two statements. One was to measure expectations within a service category and the second was to measure perception about a specific firm whose service quality was being measured at the time. (Parasuraman et al. 1988, 17)

After having examined the results of the analysis, the scale was reduced to 22 items which spread amongst the five most important dimensions of service quality mentioned earlier. (Parasuraman et al. 1988, 23)

According to Zeithaml et al. (1988, 45) the purpose of SERVQUAL is to be used as a diagnostics tool for uncovering the weaknesses and strengths of an organizations service quality. As mentioned earlier, the five dimensions of service quality are the common variables used by customers to measure service quality and SERVQUAL uses these dimensions through its expectation and perception format to determine the relative importance if these five dimensions in influencing the customers overall quality perceptions. (Parasuraman et al. 1988, 31)

Having done so, management would be able to understand which of the five dimensions has the most relative impact on service quality (GAP 5) and with the help of the theoretical constructs and variables of the extended gap model, management could focus on this dimensions the most throughout each of the four remaining gaps.

It must be mentioned that SERVQUAL is one of the few service quality measurement tools that are used, but it is the most reliable and its validity has been assessed through an intensive empirical studies as well as it's the most utilized for measuring subjective elements of service quality. (Parasuraman et al. 1988, 28)

INTSERVQUAL on the other hand was developed following the original gap model (figure 5) by Frost & Kumar (2000) and then followed to focus on the internal aspects and processes which lead to service delivery. Mainly focussing on Gaps 2 and 3 of the original gap model, INTSERVQUAL focusses around the processes of support staff and service delivery staff and creates 3 internal gaps.

Figure 7 shows the internal gaps between front line staff and support staff.

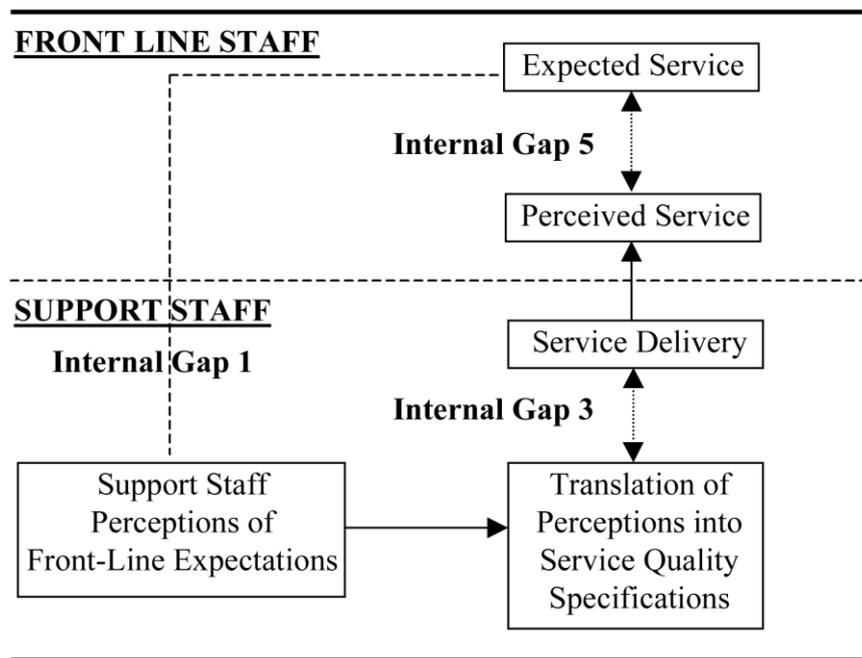


Figure 7. Internal Quality Gap Model (Frost & Kumar, 2000, 367)

An interesting fact is seen as to how front line staff has no influence on the translation of service quality specifications. This may impair correct judgement on what specifications are important since it's the front line staff that feels changes in demand and acts up on any changes which should there for allow them to be involved, yet aren't.

Furthermore, internal Gap 1 is based on difference between support staff's perception of Front line staff's expectation. Here the same five dimensions of service quality are used to determine service quality.

Internal Gap 3 is based on the difference between service specifications and actual delivery of service. For this gap, there are key factors influencing this. Figure 8 represents these factors.

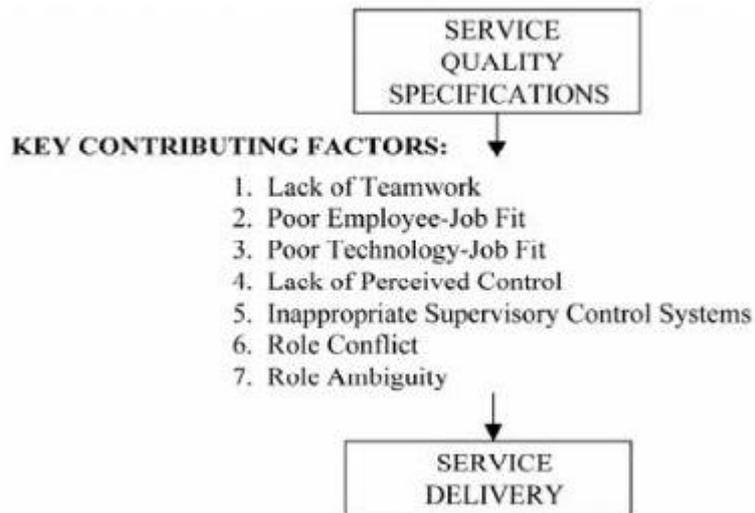


Figure 8. Contributing factors to Internal Gap 3 (Frost & Kumar, 2000, 368)

Internal Gap 5 goes about to understand the difference between front line staff expectations of perception of support staff service quality.

Interesting enough, both internal gaps 1 and 5 go about understanding each other and are done following the same five dimensions of service quality.

2.5 Conceptual framework

For this research a conceptual framework has been proposed showing all the important theories and models in one framework for better understanding the roles management, employees and customer play in the management of service quality.

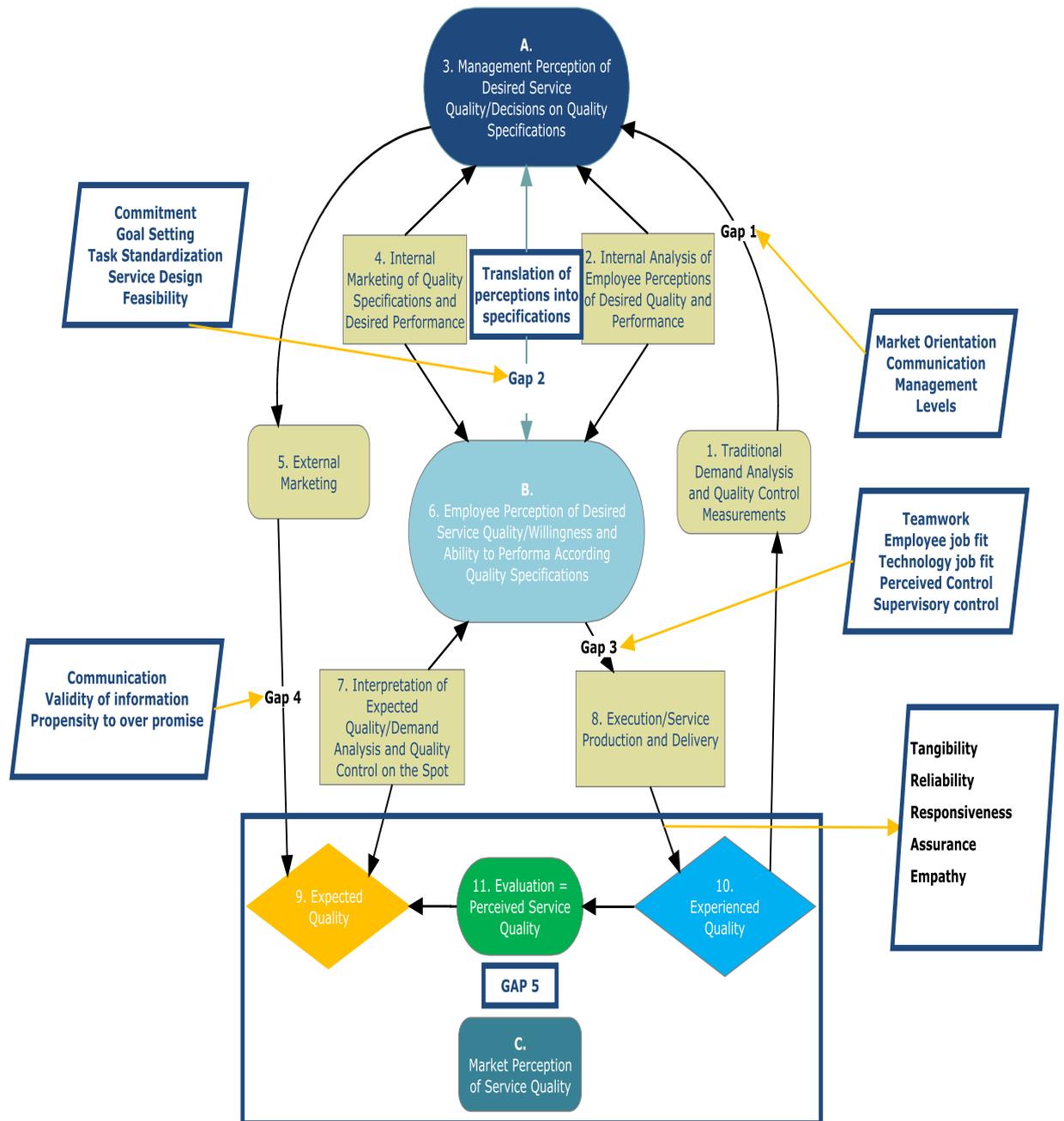


Figure 9. Service Quality Management Conceptual Framework (Own illustration)

Figure 9, shows all the important elements of managing service quality. First of all there are the three role players, management, employees and customers, each having their own significant part in the service quality. Management's role is focussed around understanding customer expectations through demand and quality control analysis and hereby finds discrepancies in service quality relating to service delivery and customer satisfaction (Service Quality). The results are management's perception of service quality and will hereby define service quality specifications based on desired service quality.

Although not mentioned in the literature review nor shown in figure 9, management's responsibilities do not end there; supervisory tasks and responsibilities do exist concerning motivation and leadership on employees, planning the degree of contact with customers, planning sales opportunities and further options.

In addition, although it's the contact employee that interacts with the customer, it's management's responsibility to provide all the necessary tools and information including trainings and daily information to ensure that service staff have everything they need to deliver service according to management specification of service quality, which from management's side involves commitment, setting goals and objectives and communication with staff.

At this moment it can be perceived that in order to effectively manage service quality management must have the right understanding of customer expectations so to say have the right perception of the desired service quality.

Employees play a central role in service quality as they are the contact between customers and management. Their role is quite important when it comes to service delivery. Service delivery would depend then on the skills and knowledge employees possess which is the duty of management to take care of their employees. ‘

Furthermore in order for service delivery to happen effectively, staff must work in teams, must communicate effectively, must feel comfortable and have a system of control or support when it is needed. Customers would then in turn measure the

quality of service delivery based on the five dimensions; *tangibles, reliability, responsiveness, assurance and empathy*.

But it's the customers that have the most control over service quality, as all revolves around their life cycle, from beginning to end, the customer goes through a series of touch-points when for example searching for information about where to stay, marketing efforts and brand recognition play the most role here, but continuing on the life cycle, how well their experience during service delivery and other touch-points go and meet their expectations would dictate how satisfied they are.

For this research and based on the discussion one proposed issues for this study is:

- 1. The perception of management influences the way service quality is managed.

This statement is based on the importance of clearly understanding your customers and the perceived desired service quality. If management would clearly understand their customers correctly, which would require the use of resources and measurement tools, to create the right specifications of service quality which would translate into service delivery. Supposedly if management lack the resources or commitment for this, surely all that follows would result in service quality below acceptable levels.

- 2. The information that is externally communication is shaped by the perception of management.

This statement is based on Gap 4 of Parasuraman et al. (1988) Gap Model. It states that Gap number 4 is the result of ineffective market communication towards the guest which involves either over promising activities that are not consistent to the service that is actually delivered. It could also be a result of service delivery to be under par of that which was specified. But the main cause is the lack of coordination and communication between marketing and operations. (Grönroos, 1990, 64)

- 3. Managing customer expectations positively influences service quality.

Last but not least this statement is based on Gap model as well but mainly focussed on the consumer's part. Looking back at figure 5, shows that expectations is created by word of mouth communications between other consumers, friends, families and so on but also by communication on social media platforms which has now transcended as being an important marketing tool.

In addition, the personal needs of customers and past experiences play an important role as well.

This statement is based service quality can be more effectively managed if management would commit to better understanding customer expectations though open communication, dialogues and customer involvement in improvement of services.

3 Research Methodology

This chapter is meant to introduce the reader to the research strategy and the reason of choice as well as the methods of gathering data.

3.1 Qualitative Research Strategy

A qualitative approach will be used for this research as the main purpose of this research is to understand the perspective of service managers in the hospitality industry towards service quality and the objective of this research is to find out how service managers believe service quality to be and the reasons for this.

Qualitative research addresses human activity, and aims to describe, understand and interpret this activity. It seeks answers to questions of what, why and how. With the use of a qualitative approach this purpose could be reached. This can be justified through the characteristics of qualitative research methodologies.

Although there are two types of qualitative methodological research approaches, namely a positivism methodology and a interpretivism methodology , the difference between the two is that positivism focusses on theory testing and measuring as well as using prior theory to generate a hypothesis which a relatively structured design to reach validity for theory testing whereas interpretivism seeks to build theory as a result of data insight, where prior theory may be used but depends highly on its necessity to guide the researcher to seek an actual reality in a specific situation. (Carson, Gilmore, Perry & Gronhaug 2001, 65)

As can be seen in figure 5, the difference between the two methodological approaches in qualitative research are different but have the same goal when chosen to follow the an in-depth interview or case studies, which is why the type this research strategy follows the in-depth interview method of gathering data which leans more on the interpretive side of qualitative research.

According to Carson et. Al, (2001, 65) the essence of in-depth understanding is to focus on managerial problems in order to unfold the process which lies between to understand why these problems occur in the first place.

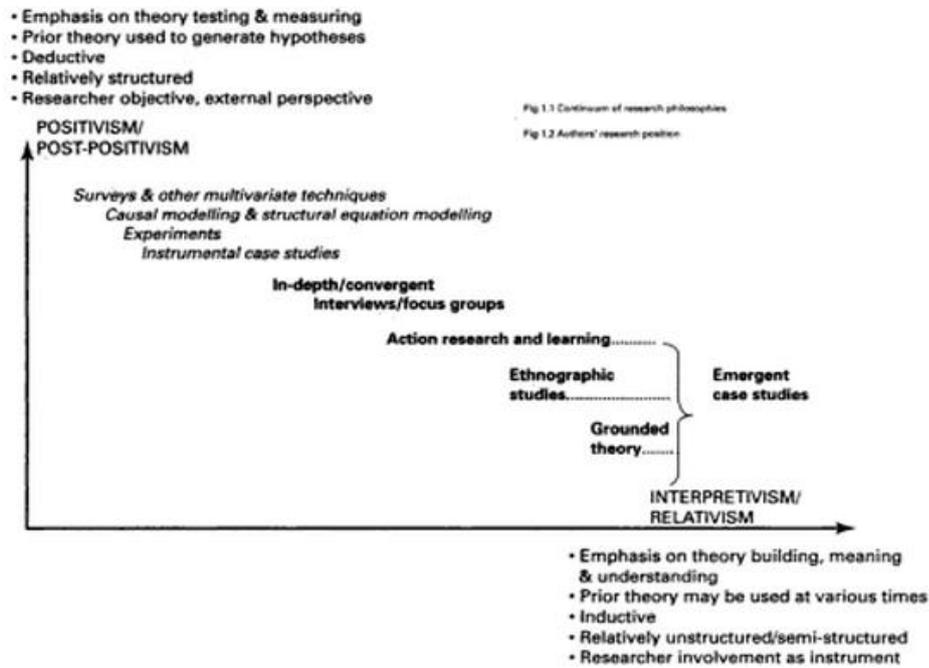


Figure 10. Methodologies in the context of research philosophies

3.2 Data Collection Strategy

The method of gathering data, as mentioned above, is by means of in-depth interviews. Patton (1980, Carson et al, 2001, 65) explains that in depth understanding is based on the immersion into a phenomena to be studied, in this case how service managers believe service quality to be, gathering data through interviews and with this provide a detail description of situation and interactions between people and things in depth and detail.

In this situation, the description would be the how service manager believe or perceive service quality to be and then focus on unfolding the differences between theory and perception of service managers to understand why it is perceived differently than what is stated in literature as well any relationships with models found in the literature review.

In addition, the interviews will be semi structured in order to direct the interview to answer the research questions as well as reaching the main purpose of this research .

Furthermore, as for any data to gathered, interviewee's are needed and as following the limitations of this study, the selected interviewee's were to be service managers working in hotels in the proximity of the city centre of Helsinki, Finland.

3.2.1 Interviewing Strategy

First of all, the overall objective of these interviews is to understand the perception or perspective of service managers in the hospitality industry on service quality. Meaning that the interviews should explore their perceptions through personal experience, practice and beliefs.

Secondly, an interview guide will be used for purpose of addressing the overall objective of the interview but also to reach the range of scope needed to reach the purpose of this research. This interview guide can be found as attachment 3, pages 8 to 9 of the attachments.

3.3 Analysis Strategy

A content analysis will be used to analyse the data gathered through the interviews. According to Carlson et al (2001, 83) content analysis require code groups of words found in transcripts of interviews which are categorised into segments. These categories are usually dependent on the research topics.

Content analysis follows two steps:

- A first phase where codes are assigned to words or segments of words
- A second phase where comparisons and or contrast are made between the coder material

Axial decoding will be used for the first phase and selective decoding will be used for the second phase. The coding process will follow on QDA Miner Lite program.

4 Analysis and Discussion

This chapter presents the findings of the interviews had during this research project and interprets the findings for further proving of the three hypotheses presented in the end of chapter 2.

First of all, the interviews with the participants lasted around 30 to 45 minutes and covered the following topics; job description in relation to service quality, perception of service quality, customer expectations and customer experiences, service delivery, customer satisfaction, measuring customer satisfaction and lastly view on future developments in service quality.

Secondly, the participants were located through manual visitations of hotel establishments in the Helsinki city centre and the topic of the thesis was introduced and contact information was asked for service managers. A total of 12 participants were contacted through email inviting them for a meeting and a chance to participate in an interview which would focus on the perception on service quality.

However, it was presumed that at least half of the invited participants would not react due to an increase in demand. Eventually five respondents acknowledged the invitation. Later on, however one participant cancelled due to lack of time.

4.1 Cases / Respondents

Table 2. Background information on respondents

Hotels	Location	Segment	Position Interviewee	Sex M/F	Age
Hotel 1	City Centre	First Class	Service Manager	M	29
Hotel 2	City Centre	First Class*	Service manager	M	32
Hotel 3	City Centre	Luxury	Chef concierge	M	28
Hotel 4	Central location	Mid-Market	Duty manager	F	28

* Business

Table 2 represents the basic background information about the interviewee that participated in this research. First of all, the names of the hotels have been kept for the sake of keeping any information private and secure as we don't want to tarnish any image about any of these hotels. The main objective was to better understand service quality management in hotels. Nevertheless, the location of the hotels are all significantly in the city centre except hotel 4 which is not far out of the city centre, easily reachable by metro, bus or automobile. Accessibility is not a problem for this hotel but is not on the same level as hotels 1 to 3.

In addition, the participating hotels are presented by segments. Hotel 1 and 2 are of the first class segment, this means that their products and prices are of a much higher than the mid-market segment quality but still lower than the luxury segment. It should be said that all hotels are part of a hotel group and have their own brands. Lastly, the sex and age of the participants are shown. Curious, how most of the participants range between 28 and 32 and have managerial responsibilities.

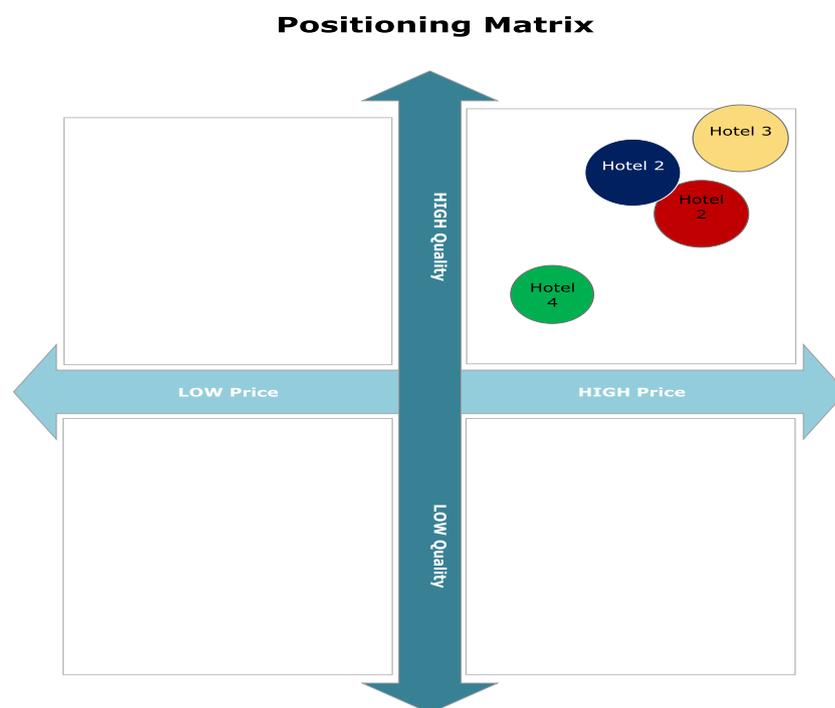


Figure 11. Hotel Positioning Matrix

Figure 11 is intended to better show the segments by means of the relationship between quality and price. This matrix was designed by comparing the prices of a standard room for each hotel for 2 persons on a Friday evening.

4.2 Findings and Issues

The results and findings that are discussed hereon after are based on interviews held with service managers. These interviews were transcribed into data and can be found in the attachments as attachment 4 starting from page 56. The themes which emerged from the interviews are set out in attachment 5 in the attachments starting at page 85.

Furthermore, the coding sequences were to follow two sequences mainly from axial coding to selective coding but other theoretical knowledge suggested to begin with open coding and sequence this to axial coding and so on to selective coding to break through and find one core concept.

Table 3. Coding sequence summary.

Axial	Selective	Core Concept
Relating to service quality	Service concepts Different perceptions and defining SQ and different perspective towards relationship with SQ	Dissimilarities of perceptions of SQ
Different perception of service quality		
Multiple sources for feedback	Measurement concepts Management of information received through numerous ways for improving service quality	
Different methods of measuring customer satisfaction		
Staff development	Development concepts The incorporation of service with new information, data or insights to better improve service quality	
Improving service quality		

Table 3. Represents a summary of the coding results mainly showing the axial coding to selective coding.

4.2.1 Service Concepts

The first issue that arose from the results was the vast amount of descriptions that were given when the participants were asked to explain how they relate to service quality at work. The purpose of this question was to understand whether the interviewee's could explain in their own way how they manage service quality at their establishment.

Through the coding sequences, one can understand that all the interviewees presented their own description of how they relate to service quality. Most of the answers were shown to relate more to customer service or taking care of the customer.

In truth this is not a wrong answer; the core of service quality revolves around customers however none of the answers actually gave proof of how the interviewee's manage or interact with service quality at work. The factors behind this result could either be that the interviewee's did not understand the question or when they were confronted with this question the first concept that came to mind was customer service. Whereas customer service is merely one of the two variables within the service quality construct of Grönroos (1990, 37)

Issue number 2 concerned the perspective of each interviewee to service quality; mainly what do they think it stands for.

The answers again proved inconsistent to the question, as no clear description of any of the definitions that were given in chapter 2 were realized in any way.

As the coding results show, only three valid answers were given linking to service quality, namely; "meeting expectations during customer service" and "tangibles and intangibles".

Within this story, service quality is seen as the total assessment of how well a service provided meets the expectations of the customer by the customer. (Zeithaml et al. 1988, 35) & (Parasuraman et al. 1988, 15)

Interesting that these answers were only given by two of the four participants, these participants were from hotel 3 and hotel 4, however it may be believed that the underlying factor for these answers being so close to the working definition of service quality to be the fact that both these participants have had an educational background in the hospitality industry.

It cannot be concluded if this is the real factor, since participant number 1 did also mention of having an educational background in tourism but failed to address the question. Observation would indicate that when participant 1 was asked this question, participant 1 did mention that service needs to be at a certain standard and concentration should be given to the customer. This can be translated into ensuring standards in service delivery to meet the need of customers. If interpreted this way then it may relate to service quality.

4.2.2 Measurement concepts

Issue number 3 revolves around the service quality on the job, mainly focussing on the service quality management, service delivery and staff trainings and customer satisfaction and putting the information to use.

This issue brought up some interesting facts forth. First of all, this issue followed on the question whether functional or technical quality is more important than the other. The purpose of this was to build a foundation to stress the importance of employees.

Most of the answers indicated that functional quality would have the most impact on a customer experience because of the human element and the interaction between employees and customers.

Secondly, an array of methods was described when it came to measuring customer satisfaction. One interesting trend that came up was that of the four participating hotels only one of the hotels use an online questionnaire to determine the factors of customer satisfaction whereas the others mainly rely on verbal conformation, written confirmation on comment cards and then others had a service index. This is where the service is measured by standards and procedures. More like a mystery audit.

However, participant two explained that from his perspective, spontaneous feedback from guests such as comment cards, are irrelevant because the guest would only provide feedback when they are satisfied with the service and not when they aren't satisfied. Yet this is not the interesting part, the interesting part is the fact that customer satisfaction is only measured once a year. It was not explained what this measurement entailed but it doesn't seem that feasibly to measure customer satisfaction and the factors that influence this only once a year.

Furthermore, mention of using word of mouth and social media was really interesting. It shows the importance of customer feedback, it also shows initiative of interacting with customers even when they stay has ended. In addition, it was mentioned that the use of these, were proposed to better understand customer expectations and so by better understanding the expectations, these could be met during service delivery.

With an answer from participant 3 such as:

“After this there is social media. We follow people that like or talk about our hotel. We even answer sometimes as it acts as a tool that we can use to understand what we can improve.”

Indicates the importance of using tools to reach out to your customers and better understand them so to provide a better service for them.

This relates to Gap 4 of the Gap model by Parasuraman et al. (1985).

The gap exists when there is a lack of insufficient coordination between marketing and operations departments but also promises are made which cannot be met.

And this issue addressed the importance of following what is being communicated to guest even when there is no interaction with other departments. If management can be aware that their website already provides significant information for guest to create and expectation from, then they would consolidate using more tools to better understand customer expectations for the sake of service quality.

Last but not least, three cases were mentioned where feedback was given and was used to improve business. Interesting enough the participant who did not provide this information was the same participant that doubted the validity of customer feedback as well as their establishment measuring customer satisfaction only once a year.

The others presented clear examples where feedback was given, passed on to upper management and then a solution was implemented.

This shows how far you can improve if you have the commitment of management. Management commitment to service quality is one of the factors determining gap number 2 or in other words from management perception of customer expectations to the translation of these into specifications. Without management commitment, there will be no planning, no goal, and no motivation. In addition, the involvement of management in service quality is imperative to closing this gap. (Grönroos, 1990, 61)

4.2.3 Development concept

Issue number 4 in turn concerns future implications for service quality. More precisely this issue seeks to identify what part or factor should be focussed on for improvement of service quality through the perceptions of service managers in practice.

This was the one issue which complete the indication of the perception of management on service quality by presenting their priorities for improving service quality.

The results here indicated that staff be the focus for improvement. More precisely stressing the importance of human behaviour, human personality and attitude and how much value this adds to service delivery. This is a big element of the functional quality dimension. Not to forget that it is within the service encounters where the customer finalize their judgment on perceived service quality by using the dimensions; *tangibles*, *reliability*, *responsiveness*, *assurance* and *empathy*.

The results indicate that by focussing on developing your employees by providing everything that is needed for them to deliver service is but half the work, it's the own cultural differences, the own attitude of the employee which will finish this circle and is believed to be referred to as having a hospitable attitude.

In summary of the results, each manager related differently to service quality on the job but more or less all mentioned customer service to relate to service quality.

Different perspectives were given when asked to define service quality through their own perspective. Yet out of the four only two gave an answer relating to the working definition of service quality for this research. A proposed factor for this could be prior education in the field of hospitality but this is cannot be conclusive because of the size of the sample.

The importance of understanding customer expectations was emphasized and how it can be used to better meet the needs of customers during service delivery. In addition the use of word of mouth and social media was mentioned to acquire such information.

The main point for further developing or improving customer satisfaction through service quality by means of this research would be to focus on the human element in the service delivery.

5 Conclusions

In summary, the literature review brought forth some interesting findings on the topic of service quality as well as brought depth to this research.

First of all it was concluded that service quality as perceived by customers to be the result of how well service matches expectations. Secondly that service quality was determined by two dimensions, namely; expectations and experience and each of these dimensions had underlying factors. Thirdly, 5 factors determined the outcome of service quality which is used by the customers to complete judgement during service delivery, namely; tangibles, reliability, responsiveness, assurance and empathy.

Furthermore, the actual management of service quality depends on how well the gaps presented by Zeithaml et al. (1988) are managed. Each gap is a representation of a lack of focus or resources resulting in negative effects towards service quality. First of all it starts with management's perception of desired service quality by customers through analysing customer expectations and demand analysis and based on their perception design specifications for service quality and these are then followed on by contact employees during service delivery.

The research issues proposed in chapter 2,5 focused mainly on the perception of management and it's result on management of service quality.

First of all, it was stated that management's perception would highly influence way service quality is managed.

Secondly, the information that is communication externally to customers is shaped by the perception of management.

And lastly, that managing customer expectation would lead to better results in service quality.

However, the indications to these statements based on the discussion of the results found during the interviews bring forth new data.

First of all, based on the results, it seems that there is a lot of importance on how service quality is actually perceived and understood and how much importance is then stress on the actual management of service quality.

Gap 1, as described by Zeithaml et al. (1988) already indicated that lack of understanding the expectations of your customers will result in specifications of desired service quality based on wrongful information which would result in a below acceptable level of service quality.

The findings on the interview conclude this gap and the importance of the perception of a person. The results show multiple definitions on service quality and only 50% of the participants had the right definition. Because of the different perceptions, the participants had different ways of relating to service quality in in their properties on the job.

Secondly, because of the different perception of what service quality is, following gap 1, the information that will be communicated externally to guest is indeed shaped what is deemed more important or understood. More importantly, it seems that what is communicated is communicated through the perspective of the perception of desired service quality. So to say, what is communicated is what is thought to be understood. Which begs the question, what if what was understood is not correct. This proves the risk of perception.

Which is why a lot of resources must be put into finding the correct information on customers, their expectations, needs and wants and with careful planning and coordination of the marketing department and operational departments can the right expectations be shaped based on valid information.

Thirdly, the results brought forth new data that the by thoroughly understanding your customers and their expectations can service quality be managed more effectively. It

was stated that by understanding your customers and what they expect can you deliver exactly what is expected during service delivery.

This again does require time, planning, human resources but with careful planning and coordination and effective service blueprinting can expectations be delivered during a service encounter-.

However this heavily depends on the perception of management and what is deemed more important.

In conclusion based on the sample size, it can be concluded how service quality is perceived by management dictates how well service quality is managed. A wrong perception would yield decisions which would not benefit management at all and worse of all would widen the gaps mentioned by Zeithaml et al. (1988)

5.1 Future implications

For future implications, this study would have to be done again, this time involving much more participants as well as involving one strategic manager and one operational manager into the study.

Secondly, within this study it was argued which factors, namely; functional quality or technical quality was more important than the other. Although most of the participants mentioned that it's the functional quality which has the most effect on the outcome of the service delivery because of the human element.

A separate study on this subject would shine light on which element is more important and could provide more focus for improving service quality

Last but not least, the last part of the interview covered the subject of focus for improving service quality. All participants mentioned the staff to be the focus of improvement based on the fact that it's the service staff that actually operationalizes service quality standards and more importantly it's during the service encounter where

the customer forms the last judgements on service quality. This part can be applied to the importance of the human resource in daily operations. The importance of contact employee and how much improvement can be seen if more focus is given to employees.

With focus on service staff, namely improving knowledge, skills and coordination as well as providing all tools would effectively enhance service delivery and have a positive outcome on service quality.

5.2 Validity of this research

Validity is defined as the extent to which this research covered its objective. The objective of this research was Therefore this study focusses on the management's perception of the service quality management process. To understand whether management understand what service quality is, what it means, how to manage quality, how customers evaluate quality, or what issues exist for operational management relating to management of service quality.

Based on the results, the objective was reached and the conclusions point out that because of the different perspectives management has on what service quality is, the actual management of service quality differs from what literature explains it to be.

One thing that came forth that was completely new was the actual impact personnel can have on service quality if a positive company culture is developed. Participant 4 explained during the interview that management was utterly committed to the development of their employees which resulted in a positive working culture which provided the right circumstances where staff has everything that they need including knowledge and tools to provide the best possible experience to meet the expectations of guests.

The credibility of this research however is not sufficient due to the size of the sample. Therefore it is implied for this research to be redone based on the same assumptions but for a wider sample which deem a much more credible result to concretely prove

the results and conclusion that because service quality is perceived differently it will be managed differently as well depending on two variables, the operational manager's perspective and company philosophy on service.

5.3 Learning and development during thesis process

Regarding my own development and learning process during the thesis process a couple of things come to mind.

First of all, the resource of time was against me in the development of this report. At first the planning seemed concrete that if I would follow all the steps I would be able to finish on time, or as preferred before May. Yet this was not the case. Unfortunately I had courses during the 1st and 2nd period which heavily affected my ability to work on this report. Never the less I had pushed through, finished my literature review on time but then came the scheduling of interviews. I had already foretold that half of the participants would actually participate in having an interview and after having contact 12 hotels for an interview in the end only 4 participants actually took part in the interviews.

I was disappointed because of this but then decided that even such a small sample could provide interesting information and provide more clarity on the objective of this thesis.

Secondly, during the presentation part, I was thoroughly delighted to have received such critical but constructive feedback which led to the improvement of this report.

Even though there were positive remarks about this report I was more focussed on the critical parts which still needed work or touch which would lead to finishing this report. In the end I am quite happy with the process of this all, it was such an eye opener to grasp the time and resources it takes to write a proper qualitative research report especially the time it takes to designing the proper framework to acquire the adequate results needed.

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7 Attachments

Attachment 1 – Ten determinants of service quality

Attachment 2 – Theoretical constructs and variables

Attachment 3 – Interview Guide

Attachment 4 – Transcriptions Interview

Attachment 1- Ten determinants of service quality

Parasuraman et al (1985, 47) derived out from focus group interviews, ten dimensions of service quality. Virtually all comments customers made during these interviews fall into of these ten categories. Although these key dimensions may not all be applicable in all customer service industries, they imply that they represent the majority. The consumer's view of service quality is shown below:

Reliability involves consistency of performance and dependability. It means that the firm performs the service right the first time. It also means that the firm honours its promises.

Specifically, it involves:

- Accuracy in billing;
- Keeping records correctly; and
- Performing the service at the designated time.

Responsiveness is about the willingness or readiness of employees to provide service. It involves timeliness of service:

- Mailing a transaction slip immediately
- calling the customer back quickly
- Giving prompt service (e.g., setting up appointments quickly)

Competency concern possession of the required skills and knowledge to perform the service. It involves:

- Knowledge and skills of the contact personnel
- Knowledge and skill of operational support personnel; and research capability of the organization (e.g., securities brokerage firms.)

Access means approachability and ease of contact. It means:

- The service is easily accessible by telephone (lines are not busy and they don't put you on hold);
- Waiting time to receive service (e.g., at a bank) is not extensive;
- convenient hours of operation; and
- Convenient location of service facility.
-

Courtesy concern politeness friendliness, respect, consideration of personnel (including receptionist, telephone operator, etcetera.). It involves:

- Clean and neat appearance of public contact personnel;
- consideration for the customer's property (e.g., no muddy shoes on the carpet).

Communication involves keeping customers informed in language they can understand and listening to them. It means that the company has to adjust its language for different consumers. Increasing the level of sophistication with a well-educated customer and speaking simply and plainly with a novice. It involves:

- Explaining how much the service will cost
- Explaining the service itself.

Credibility is about trustworthiness, honesty and believability. It involves having the customer's best interests at heart. Contributions to credibility are:

- Company name
- Company reputation
- Personal characteristics of the contact personnel

- The degree of hard sell involved in interactions with the customers.

Security is the freedom from danger, doubt or risk both financially and physically. It involves:

- Physical safety (will I get mugged at when I am sleeping in my hotel room)
- Financial security (does the company know where my stock certificates are?)
- Confidentiality (are my dealings with the company private?).

Understanding/knowing the customer involves making the effort to understand the customer's needs. It involves:

- Learning the customer's specific requirements
- Providing individualized attention
- Recognizing the regular customer.

Tangibles concern the physical evidence of the service and includes:

- Physical facilities
- Appearance of personnel
- Tools or equipment used to provide the service
- Physical representations of the service, such as a plastic credit card or bank statement

Attachment 2 – Theoretical constructs and variables of the four gaps according to Zeithaml et al. (1988, 38-45)

GAP 1: Difference between consumer expectations and management perceptions of consumer expectations

The size of GAP1 is dependent to be a function of Marketing research orientation, Upward communication and Levels of management.

Marketing research orientation	<ul style="list-style-type: none"> – Amount of marketing research – Usage of marketing research – Degree to which marketing research focuses on service quality issues – Extent of direct interaction between managers and customers
Upward communication	<ul style="list-style-type: none"> – Extent of employee-to-manager communication – Extent to which inputs from contact personnel are sought – Quality of contact between top managers and contact personnel
Levels of management	<ul style="list-style-type: none"> – Number of layers between customer contact, personal and top managers.

GAP 2: Management perception – Service quality specification GAP

Regularly, managers in service firms experience difficulty in attempting to match or exceed customer expectations.

The size of GAP2 in any service firm is proposed to be a function of management commitment to service quality, goal setting, task standardization and perception of feasibility as shown below:

Management commitment to quality	<ul style="list-style-type: none">– Resource commitment to quality– Existence of internal quality programs– Management perceptions of recognition for quality commitment
Goal setting	<ul style="list-style-type: none">– Existence of a formal process for setting quality of service goals
Task standardization	<ul style="list-style-type: none">– Use of hard technology to standardize operations– Use of soft technology to standardize operations
Perception of feasibility	<ul style="list-style-type: none">– Capabilities/systems for meeting specifications– Extent to which managers believe consumer expectations can be met

GAP 3: Service quality specification – Service delivery GAP

This gap concerns the specifications for the service and the actual delivery of the service. GAP 3 occurs when employees don't perform to the expected levels or are unwilling to carry out procedures according to standards. This GAP is highly

dependent on teamwork, ability to fit to job, control systems, control of management and confliction between what is desired and what actually occurs.

Teamwork	<ul style="list-style-type: none"> – Extend where employees view other employees as customers – Extent to which contact personnel feel upper level managers genuinely care for them
Employee job fit	<ul style="list-style-type: none"> – Ability of employees to perform work – Effectiveness of selection process
Technology job fit	<ul style="list-style-type: none"> – Appropriateness of tools and technology for performing work
Perceived control	<ul style="list-style-type: none"> – Extent to which employee perceives they are in control of their job – Extent to which customer-contact employee feel they are flexible in dealing with customers – Predictability of demand
Supervisory control systems	<ul style="list-style-type: none"> – Extent to which employees are evaluated on what they do rather than on their performance in relation to output
Role conflict	<ul style="list-style-type: none"> – Perceived conflict between expectations a customer has and expectation of the organization – Extent of conflictions between management policy and specifications
Role ambiguity	<ul style="list-style-type: none"> – Perceived clarity of goals and expectations – Perceived level of competence and confidence in product and employees

GAP 4: Difference between service delivery and external communications

Communications in different way by a firm can affect consumer expectations such as media advertising or other events. The difference between external communications and service delivery can occur when the promises and/or the absence of information about service delivery aspects intended to serve consumers in a good way.

The size of GAP 4 is affected by two factors, horizontal communication and propensity overpromise within an organization.

Horizontal communication	<ul style="list-style-type: none"> - Extent of input by operations in regards to planning of advertisements and execution of plans - Extent of awareness of external communication to customers by operations employees prior to service - Communication between Sales and Marketing departments to all operational departments - Similarity in procedures across departments
Propensity to overpromise	<ul style="list-style-type: none"> - Extent to which a firm feels pressure to generate new business - Extent to which a firm perceives that competitors overpromise

Attachment 3 – Attachment 3 – Interview guide

Interview Guide

Thesis “Service quality perceptions in the hospitality industry”

Interview Transcription Guide

Interview # _____

Name: _____

Notes by _____; Date _____

Introduction

Explain who you are and why you are conducting this research.

Any questions/comments before we start?

Background

We'll start with some background information about you and what it is you do here at this hotel, your role, responsibilities and years on duty.

Tell me a little about yourself?

How do you relate to service quality in this establishment?

Personal perspective towards service quality

The next section looks at your personal view of service quality

What do you think service quality stands for?

(Show Gronroos model of service quality)

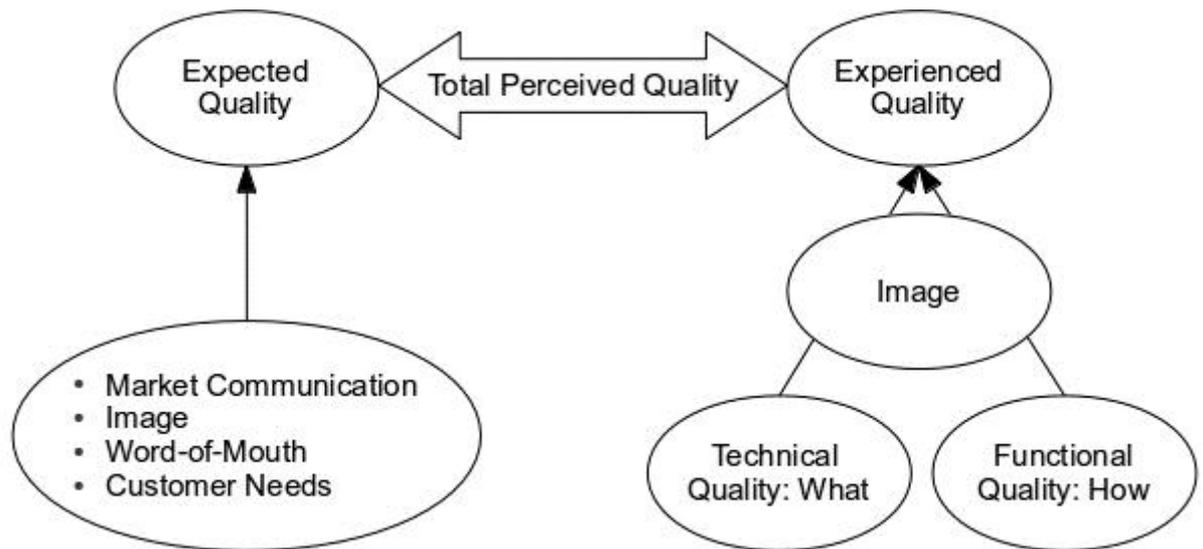


Figure 1-Total perceived service quality model. Grönroos (1997)

Experience with service quality while on the job

Tell me about how service quality is trained to employees on delivering exactly what is promised by the hotel.

How is service quality practiced here at this hotel?

How is customer satisfaction measured at this hotel?

And how is this feedback put to good use in improving service?

Vision for change

Where is it that you believe change should be made in order to improve service quality in this hotel? (Trainings, personell attitude, managerial knowledge on customer expectations, marketing practice or service delivery etc.)

Attachment 4 – Interview Transcriptions

Transcription Interview 1

Interview date: 25-04-2013

Interviewer: Randall Laclé

Interviewee: Kalle Valjento

Hotel: Radisson Blu Plaza Hotel

Department: Front Office

Position: Service Manager

Interview Setting: This interview was conducted at the Radisson Blu Plaza hotel on Mikonkatu 23 in Helsinki, Finland in the upper lounge area on the second floor.

(Start of Interview)

The reason why I'm doing this research is that service quality; I have been having it a lot in my classes for the past few years and it's been a very important thing of how guests want quality to be and how they think quality is for them. I want to find more about how service managers think about service quality or how they perceive it. Theoretical knowledge says specific things on what service quality is and how it should be but what lies in practice is yet not be found. And this is what I want to find out. How service managers perceive service quality to be and the important aspects of it.

Would you be able to tell me some background information about yourself?

Yes sure, you probably want to have some professional background about me.

Basically I have been in the customer service industry for about 10 years, but in the hotel industry 5 years. I've been my whole hotel career with Radisson Blu hotels. The

plaza has been my home hotel, and I feel it's where I can put out the best of myself here.

And I have been very interested in the hotel business. I started here as a trainee because of my motivation, social skills and because of other abilities I got to a better position, much better than a trainee position. I am glad to where I am. I am actually still in my starting years, because people thinks it's just check in and check out, which it's not and I am still learning more and more each day. So let the learning continue.

I completely agree that this industry there is a lot to learn and one never stops learning.

On a quick side note, how old are you at this moment?

I am 29 at the moment.

Have you had any education relating to the hospitality industry?

Yes, I have studied hospitality management. It was so that it was actually Tourism track and 2,5 years out of the 3,5 years I focused on hospitality and I came here to the Radisson Plaza Hotel through a traineeship.

I can see that you have plenty of background and you are t home here at the Plaza hotel.

Is it possible you could tell me how service quality is practiced here at the Radisson Blu Plaza Hotel?

We have the *Yes I can* and a 100% service guaranteed. These are our starting points where service begins. We have certain amount of rules of how service should be. But at this point I would like to mention that we try to not stick too much to the rules and try to focus more on personalization as it is more valued currently and as well around

world.

Furthermore, the concept have here put together with the personalized service makes the service what we have here a plus.

We don't want to offer robot service; personalization is what we aim for.

This basically covers the background information and how service quality is done here at your hotel.

I would like to follow on the next section now, where I would like to understand how you personally feel about service quality.

To your own opinion, what do you think service quality means?

Well, step one is that you are concentrating on the customer. Quality starts that you don't focus on anything else then on the customer. He is there with you; he doesn't care what issues you have or your day. The service needs to be at a certain standard and total concentration needs to be on the guest. Every day the same kind of service quality needs to be given.

Here I have a figure, its Grönroos theory on total perceived quality. He's a renowned figure on the field of service quality and customer service. He has written many literatures on these topics.

Mr. Gronroos, says that perceive quality, what guest think it is, is the difference between what is expected and what is given or experience. What guests expect is what they receive from marketing, word of mouth and their needs and the experience is what they actually receive, What they receive, the products and how they receive it.

How this relates to my research, I want to understand if service managers perceive it like this too. For you as a manager, is it true that service quality is the difference of what is expected and what is experienced?

It is quite true this figure. Well it depends on the staff I believe actually. The product is what it is, in our case very excellent. And the customer get's what they expect as the product is what it is, but the main variable is the staff and how the guest receives the service. I believe the technical quality doesn't really matter roughly if the functional quality doesn't work. So as a managers we have to know all the details of the hotel, the image, , the position of the hotel, what is communicated to the guest so we know what the guest is expected as it is very important so we have to know what the customer is hearing.

And when the customer comes here, has the moment of truth and goes to find out whether there expectations will be met and it is our duty to ensure it is that and that the staff knows exactly what has been heard of our hotel and where the guest expectations come from.

As a manager is controlling what the customer service agent says and what he tells and how he or she behaves with the guest, so managing the functional quality in regards to what is expected.

It is also our duty to communicate to our staff what is communicated to our guest.

So if I understand you right, for you the most important aspect is to how is everything comes to the guest and communicate this to the staff and a key part is to understand what happens here and understand how it relates to what is communicated to the guest. So to take care of the circle of what is expected and making sure that all that is expected is given back in the service that is provided. Mostly focusing on the how service delivered as staff knowledge is

key to ensuring that great quality next to having a product which is standard at everytime.

Yes indeed. The main thing is to understand that guest get their expectations from what is told about our products. And our products are the same. The only way they can be managed is in the way to ensuring that the quality of the product is good and that does depend on housekeeping as well as renovations when it is needed but next to that what completes the whole experienced quality is how the actual service of providing the product is given. And this can change the whole situation. If your product is great already, and with a great service, the total experienced service will be excellent. As well it can be said that if the product is not to the liking of the guest, with a great service delivery, the total experienced quality can be managed positively in the end. This cannot be said if you have excellent quality of product and low quality of service delivery. People tend to forgive faster for product is service is great, is handled well.

Thank you. I would like to know now how service quality is trained here at the Radisson Blu Plaza Hotel. How do you ensure that the functional quality is at the adequate level you want?

Basically, we get them idea first about the company, about Radisson Blu and again about the concept as well explain them what the service quality concepts are and what they are able to do as guest service agent. After they are more aware of our concept and company, we give them a check list to go with the check in, the checkout and other procedures that they can check to see whether they went through the vital question and other procedures on upselling and recommendations to our guest. And we are always monitoring to do with the way Plaza wants them to do it.

There is a physical paper and a physical person there making sure they will get this service quality to their head.

Now that we have covered how service quality is practiced here, Grönroos explains that perceived quality is measured by customer satisfaction. A customer is only satisfied if his experience met his expectations.

How is customer satisfaction measured here at the Radisson Blu Plaza Hotel?

Generally put, every time we meet a guest, it doesn't matter who it is, or where they meet, they will always check the satisfaction of the guest on that place. Always check in anything else we can do. So always verbally. But that is not enough; we do it in written form. We ask them for their email asks them if they are willing to participate in our electronic survey and if they are willing we sent them this. It's an extensive questionnaire but we explain to our guest that they don't need to fill it in completely just what they think is important. With this we get information where we can see what is going on through their opinion.

Next to this we also have our general Radisson Blu index to what we are being compared to. We also do email communication with our customers; I have many contacts with customers where I regularly check up with guests with open communication.

You said that you receive feedback from your customers, verbally but also written. How are these put to use to improve service?

Off course we get ideas from these ways, people tell their experiences and we take these comments and stories and we don't leave these feedbacks under the carpet and we put into action. It's the manager's duty to put these into action and making sure that all our staff is aware of our solutions or any feedback that relates to service.

What I like about how the hotel industry, is that we are empowered to make decisions with feedback that we receive. It is not sent to upper management and we never hear anything again. We are fully able to find solutions and create actions.

I would like to move on to the last section of our interview where I want to understand through your opinion, where or what can be changed to improve service quality for future references if you may?

Well one thing is getting popular which I think is a worldwide phenomenon, especially as the Plaza hotel is that we are Consults, we are multi talent agent's I'm not calling myself a f/o manager, or an official title like that. But is a guest wants a steak, I can't cook it, but I can serve it, I've washed dishes, I've done bartending, I've set up meetings. But this requires attitude from personnel. Because it doesn't happen just like that. That is the key point to convert the service into the consulting type of service. It's a cliché, but he doesn't care which department you work in, he doesn't care, what cares of is that you are able to be hospitable with any service. He won't care about title's it's more about being able to take action.

For example, I was buying shoes the other day and I asked a lady for another shoe size and then she said to me that she works in the shirt department and just walked away. I was completely surprised by the service and the willingness to help. This is what we are trying to avoid here. It will ruin the whole experience because of how the functional quality ruins the whole experience even if the product quality was excellent.

We try to work with other departments that we are all trained to do all that can be done so we are consultants.

Thank you for your perspective. It seems from this that I can get is that the quality of service vs. product, the relationship seems to be if its more focused on the service and how its provided, every mistake happening regarding the product itself, how you handle the situation will make everything into a positive way.

Yes, if the guest finds a hair on the pillow, here showing a fault with the product, how the situation is handled afterwards won't negatively affect the total experienced quality at all in a negative way.

If I can say one last thing, never let the moment of truth to one point. The customer meeting is not over, it continues with communication, such as emails, follow ups and when they come back again, we have pre arrival communication. What I'm trying to say is that service is not always face to face but continues.

Thank you for your time. I appreciate this very much and especially thank you for sharing your perspective and opinions with me.

Transcription Interview # 2

Interview date: 29-04-2013

Interviewer: Randall Laclé

Interviewee Name: Nicolai Muhsal

Hotel: Sokos Hotel Vaakuna Helsinki

Department: Front Office

Position: Service Manager

Interview Setting: This interview was conducted at the Sokos Hotel Vaakuna Helsinki at Asema-aukio 2 Helsinki, near the Central railways station on the second floor lounge.

(Start of Interview)

First of all thank you for your time for having this interview with me. Secondly, I will begin by explaining why im doing this research and then follow up with the first question about asking you to tell me about yourself and what it is you do here at the Sokos hotel Vaakuna, following with questions on service quality and your perspective towards this.

Ok

Would it be okay if you could tell me about yourself?

My name is Nicolai Muhsal, 32 years old. I'm working as a service manager at the hotel reception. As a service manager, I work already 5th year and I'm working all together 10 years at the hotel.

How do you relate to service quality?

It is very much so, that is one of my duties is to check always that the service is provided at the right standards at the reception, that customer satisfaction is ok. Always once a year we have our satisfaction survey, by another company. IT is a very important review for us. Because it affects our bonuses or so, we get once a year our bonuses, 40%. We have to control here at the reception. We have to check that everything is going well. If there is some complaints, we take care of that. Yeah. That is what we have to do, check if the guest satisfied.

Let's move on t. What do you think service quality stands for from your personal view.

Well from my personal view, it is very important that the guest service, what I always try to do, and wish that our employees, that they welcome the guest as if they welcome him to their home. It's individual service, personal service. That's the most important thing. That he is warmly welcome, he gets personal service. That's very important. Competition is very strong, especially in the city center, and in order to stand out, you have to show that personal service to them.

So you have to stand out through the service you offer and provide.

Christian Gronroos explains that service quality is what the guest experiences compared to what the customer expected and is satisfied only when the guest receives what they expected.

Do you believe this to be true?

Yes, definitely.

Do you believe that how a guest receives service is more important than what they receive? The service vs. the product?

It's difficult because it's quite equal. The technical quality, now a days has to be right, especially in our case, being a business hotel. The guest look at the quality is working, according to standard. Yes I would say equal. Guest here would expect that our quality is of high quality.

Would you be able to explain to me how service quality is trained to the employees here?

Well actually, we train almost once a year the employees with trainings and everything. IT'S actually quite well. I'm not talking about the sokos brand, but our company in general is taking care of the sokos hotel in the capital area. They ensure that our staffs are getting trained in standard operating procedures and everything that is needed to ensure delivery is up to par with our quality standards.

It's a changing of course all the time, because we check once a year our guest satisfaction and take the points out which are lower, we are not so good and we make a new and processes and make a new plan how we can improve our service and improve satisfaction.

We use the main points to improve daily service.

So from this satisfaction index you find out where you need improvement and create a new plan to improve service through the feedback and or low points that are shown.

Yes.

Ok. Would you be able to tell me how is customer satisfaction is measured here at the hotel?

We measure customer satisfaction, once a year with the customer satisfaction index. Furthermore, we have the spontaneous feedback; these are all the comment cards that we have in the room and the restaurants. The spontaneous feedback isn't always that realistic, because you only receive something when the guest is satisfied or when they aren't. So what lies in between you don't find out. That is why we depend on the customer satisfaction index that we have once a year. Because this does measure all the points where service are delivered.

To finish, where do you believe change is needed to improve where service quality and how it's practiced?

I would have to say staff or employee personality.

Why personality?

Well the attitude for guest service, if you come into this field that we work in, what you have to have is personality and of course the willing to work in guest service. If you put those together, then that's already now a days a good service. This is very important for how he guest receives the service, from my point of view. Its not nice, to be speaking and being dealt by a robot. Hence why personality and attitude is important for how functional quality comes over to the guest.

Ok. That was it. Thank you for your time.

Transcription Interview # 3

Interview date: 2-05-2013

Interviewer: Randall Laclé

Interviewee Name: Pascal Gaudio

Hotel: Hotel Haven

Department: Front Office

Position: Service manager / Chef Concierge

Interview Setting: This interview was conducted at the Hotel Haven hotel at Unioninkatu 17 in the master suite room after having received a tour of the hotel for better understanding of the product.

(Start of Interview)

Interviewer: Thank you again for having me today, for giving me the opportunity for having this interview. Thank you for giving the guided tour of this fine establishment.

I'm doing this interview because I want to understand what quality actually is from the perspective of the service manager. I want to compare to what is written in theoretical publishing's on the subject and find out what lies in-between. Do you have any questions before we begin?

No, nothing at this moment.

So what we will do is start with some background information on yourself. I would to know what you do here, what your role is and what responsibilities you have.

Ok. I have quite a lot of responsibilities here. I am the chef concierge. One of my tasks is to make sure that the service quality is as high as possible and provide the tools to make this happen. I will provide some standards and then do some research about the service that we are providing. And what is available in the city as well. Everybody should know what is going on in the city and who's doing what. In the end we are selling our city to the people that are coming here, so we want to give them the best possible stay when they are here.

I am also doing some revenue management. So I'm trying to find out what is the best price for our guest and according to occupancy and how busy it is in the hotel and city. Always aiming to maximize our revenue and stay of our guest.

I am also the president of the golden keys in Finland, a worldwide association that provides a worldwide network which aims to provide the best possible service. If someone is visiting after staying with us another hotel in Brazil, I have a contact person there which I can contact in order to provide the best possible stay that specific guest. This makes sure, that after the guest stays with us, he/she will be taken care of.

Service starts before they reach you and continues after they have stay. So we try to find out how we can maximize their stay.

Ok, well sounds like you are busy with a great deal of things which impact the service and guest experience quite a lot.

So you've explained how you relate in service quality, how you take care that what you offer here is up to the standards and that employees are trained to perform to these standards.

Could you explain to me, from your own opinion what service quality stands for?

Well service quality, there is two in a way. This is again maybe from the book. This is something I was though. You have the tangible and the intangible, you have the hotel and the premises and what we can do. During our tour I explained the value we would like to give our customers. A very homey place to stay with a touch of luxury. And then we have the different brand associations, the project that we have to offer brands and then we have the people, the intangible part. So what we try to do here is we try to reach as much people as possible. You always have to be careful when we talk about service quality. You always have a different opinion on what service quality as and then your guests have a different opinion too.

You have to be aware of that and try to satisfy according to what they think it is. This is my view and it can be manipulated quite easily, we always try to find out what type of type of traveler and find out what do they like. So I have my own preferences of quality but the great things is that if someone else has their own preferences I manipulate what I know towards what they like so I guide them and meet their expectations.

This is my view on service quality, matching their stay according to what they like. Your own opinion is valid to an extent, you have different values and taste then this person, but you still have to reach and connect with this person and this guest will recognize this.

So if I understand you correctly, you think it's very important to understand what your guest wants and needs, what they like?

Yes.

Do you think it's also important to understand what your customers might have heard about you ? So external communication? Or maybe their expectations.

Yes of course. For me, what we use as a marketing tool, we give a lot of information on our website and when they book with us they have some expectations based on this information. But ofcourse the expectations it depends on different people so it's careful to listen to our guest when they are here to completely understand their expectations and therefor act accordingly.

Sometimes some guest contact you prior to arrival for many different reasons and you can carefully use these moments to prepare before these guest arrive and book or reserve the right details and match activities according to needs. It is very important to be prepared beforehand.

We see this as an important element of business and try to introduce these in trainings. In the hotel industry, times are busy and rushing and sometimes business is slow, and within these moments we prepare for busier moments or for the next day. We try to find activities for guest to do in the cities or we go about tidying the hotel and making things look more presentable. We also go through the bookings prior to check in time as well as the day before to find anything that we can do in advance already. Sometimes you might find a problem with a reservation and it's always better to find a solution before this guest checks in then waiting until that moment of truth and then try to find a solution.

It does happen sometimes, you go the front desk and they see a problem and then they fix it, this is fine but if you handled this situation beforehand, you skip the awkwardness or moment to positively affect the experience.

Hmm, yes I see.

During a customer experience we try to engage our staff to up sell and make recommendation to boost revenue. So we try to upsell upgrades. Actually we don't sell, we tell them what we have available to maximize their stay. If they don't accept our

recommendation, it's completely fine, yet we try to always look out for our customers maximum stay.

Word of mouth I find important. Everybody recognizes as a marketing tool but it is not actually told how to actually apply it. This is related to the service. What we try to give here is an experience and we want to create stories.

Earlier I mentioned brand association. Very often guests get excited with our Bang & Olufson speakers and TV and speakers we have. So much that guest come with their own devices, plug in their TV. And we hear these things back on Tripadvisor or on Social media sites. It's fun to read these, since the speakers from Band & Olufson is almost impossible to buy so we offer guest to try these for free and then tell their stories online.

If we see these guests again, we go to them and have a chat to verify how their stay are going and it creates a friendly experience which very often these turn into stories and you could read these comments that yes this hotel is nice, the hotel stay was great but the staf was so friendly and we had a chat they make you feel good and welcome at home. So this is what we try to do and turn it into word of mouth, for them to share the hotel name but also their experiences and emotions into a story of what happened during their stay and we belief this is what attracts people.

Yes I understand, so you try to manage expectations of guest by word of mouth through the stories told online and so on by the behavior of your staff.

Yes we try to create the right expectations, the expectation of what is really offered and how it is offered. We want to deliver the promise and not over promise so they have the wrong expectation.

When you play with expectation, expectation can be anything and this is a big problem so this is why to give the right image to go with the right expectations through our service delivery.

**Ok. Well this brings a specific topic I want to talk about. “How it is delivered”
How the promise is delivered”**

How is this done here at the Hotel Haven by the employees?

So all our employees and all trainees, before they even start there training or work. They have two days with me. We don't even go in front of the guest, we don't start right way. I will stay with them, give them a tour of the hotel, explain all features, all services, standard, policies and what is expected of them, what is provided , how to answer the phone, how to talk to guests, everything, the whole concept. So the whole concept is known after the first day. An intense training of the concept. And then we go to the front of house. Even though these new staff don't know everything but everything is in the back of the mind and we want to engage them to relate what they know when they deliver service.

We strive for this here are the Hotel Haven. To be recognized as the staff to be really friendly, skilled and knowledgeable. They know there work and are professional and we make this happen through our trainings. This is one way.

We also have an extensive network with many partners where we share information and help each other.

Every 2 months, we have meetings to discuss what went wrong, what went right, what can be improved, how and feature developments. Every person at the front desk, they represent our hotel, as they all have different taste, different values and we need to know these things so we can relate more to each other and in the end as well with the guest.

We try to highlight each characteristic of each other and use them to relate to our guests.

This goes behind the belief that if you provide your staff with the power of knowledge and they can apply what they know during service delivery and this is one way of affecting expectations as well as experience. Since you explain them what is expected, through the services and products that you offer and then because they know a lot they can deliver up to what is expected.

Yes and that is why we give trainings with the core idea of the hotel and the core values and what we try to do but we make sure that our staff understand that we are flexible and what that your staff deliver our values and service with the personality. We don't want robots or offer the same procedures all the time. We want to show diversity through our staff.

Interesting. Would you be able to explain to me how customer satisfaction is measured and managed here at Hotel Haven?

By very simple question, mainly "how was your stay" this is the main question we ask our guests. We don't have these typical leaflet with questions, like is there enough light in your room, yes no or maybe. It's not bad but in our segment there are guest which value different things. And we believe that this service breaks the human element of our stay. And when they are checking out or during they stay we ask how they're stay is, how they like Helsinki. This is when they provide their feedback. And we write everything down and give it to the management and this is worked out. An example, we have this magnifying mirror in the rooms. When we opened we did not have this mirror and one day a guest suggested this as it would help ladies to put their make up on accordingly. And this was written down and send to the management, after three months all rooms had a magnifying mirror.

We really value people and listen to them and pass this on.

After this there is social media. We follow people that like or talk about Hotel Haven. We even answer sometimes as it acts as a tool that we can use to understand what we can improve. We read what is going on, what is true or maybe what we can work on, sometimes there are something that are over-exaggerated but we still try to deal with everything we can. We appreciate this that people that stayed with us write about us, good or bad but we recognize that they do it on their own time, initiative so we try to answer to answer to the right feedbacks. We show our appreciation by answering and so on.

That is refreshing. I can see how you take care of your staff, how you take care of emphasizing the human element in service and how you manage your image through social media but through the information which guest provide as their feedback. It's also refreshing to hear how feedback is actually appreciated but also passed on to management where it's actually dealt with instead of just staying there. It's interested how you follow up on feedback.

Yes, you can just imagine as a guest, and I go to hotel, but I give a comment about this kind of mirror and the next time I go to the hotel and the mirror is there. It gives the impression that people appreciate me, they listen. I had an impact on the hotel and this creates a story to tell. It's all a chain, all is related together at the end of day.

Interesting. So you explained how you gather information on customer satisfaction and how these are put to use as well. Now I will ask about your vision for change. Ask about your opinion on where change should be done or what is your view on the future in service quality?

Improvement and change will always be there. You have to be aware of trends, competition, managing business. They all change. As I mentioned we do trainings, we try to be aware of everything that is happening. It's really to up to date, gathering as much information as possible and reacting accordingly to changes.

Especially in our luxury segment, we need to know about the big chains, what they are doing, what is the trend and we use this information to improve and keep a close eye on what is changing. We need to constantly change according to trends.

Regarding service quality, I think for the sake of improving service quality the focus should be on service delivery. Mainly focus on personnel. By providing everything that is necessary for them to delivered great service but to meet the needs of guests. All the information, all the tools, trainings. But the attitude and willingness to help is what will change the game.

You will get away with so much when you are willing to help as much as you can. There is a big difference between saying “no” and “I will find out about it “ So we try to manage the customer experience through our personnel, they personality, their friendliness and with all they know they can provide excellent quality. This is what I think is important for change. To focus on employee attitude and willingness to help, this will improve SQ.

Thank you for your time

Transcription Interview # 4

Interview date: 06 -05-2013

Interviewer: Randall Laclé

Interviewee Name: Anna Vlasova

Hotel: Sokos Hotel Paasi

Department: Front Office

Position: Duty Manager

Interview Setting: This interview was conducted at the Scandic Hotel Paasi and took place in the breakfast area in the back.

(Start of Interview)

So now we will have our official interview. So why I'm doing this research is that I've come across service quality through my study careers for 4 years and it has been coming up again how important it is of the quality of service you deliver and this quality can be used to judge you and rank you amongst other hotels.

There is so much known about service quality, what it is, how it, but I haven't found anything yet deeming exactly what management should do with service quality, so this is the gap I want to close.

Any questions or comments before begin?

No.

Let's start with some background information about yourself.

So, I'm 28 and I'm almost done with my university and I should be done in one month or autumn depending on how busy I am. I'm working here for 8 months now since opening day, I am manager on duty. Before this I worked at the Glo hotel for 4 year, 1 year full time and 3 years part time. Before this I was working part time at the holiday inn city centre.

So a lot of experience I see!

Yes indeed, I've changed quite a few times.

What are your responsibilities here at the Scandic Paasi?

First of all I need to supervise my shift, making sure all is going smooth and under control, secondly I tell my staff what to do, what we are going to do, how many people are coming and so on. I'm supervising to make sure everything is going on. I also inform my staff on any development and information that may come in about trainings and so on.

Ok so this is how you relate to service quality on duty, you supervise the service delivery; you provide information on what's going to happen during that day.

Yes, indeed. Most people take this for granted but you can go a long way being well informed.

Let's move on to you own perspective of service quality, what do you think it stands for?

I would say that, when people arrive they certain expectations and I think we need to manage this expectations and of course it would be really nice to surprise and do

something better but I think the point is to meet their expectations and see them smiling to know everything is good and when they aren't happy we should do something to make them happy about the result.

Interesting, you seem to have pointed out expectations and service quality being the management of expectations. I can totally agree to this. Managing the expectations by delivering to these expectations.

Do you think, that the product is more important then the service?

Well for this hotel, it's new, everything is new and shiny, so the whole product is really good, but we've been opened for 8 months and it's not so new anymore and for us now the service delivery is the most important, we can't rely much more on the product as this decays after time.

How are employees here trained to deliver according to specifications?

Before opening we spend two weeks training. We were explained what's going to happen, how things are going to happen and why. We were trained how to check in, check out, our duties, responsibilities.

But actually after the training weeks, we were told that what we were doing was building a hotel culture, a culture where we understand each other, are friends and can work efficiently together.

Everyone is 100 % here all the time when working, 100% for the customers and I thinks it's because of this culture we work in.

What I see is that perfect situation for delivering service with an extra touch of personality.

How do you ensure that service quality is always up to par?

We have meetings every 3 months where we discuss what is affecting customer satisfaction the most, what is going wrong, what can we do.

We also have trainings with different subjects, such as perfect service. It feels like a class since we discuss what we've seen, come up with solutions to problems. It engages us to think about our own experience. We also discuss actual issues which occur during working hours and discuss with the group what can be done about this and how to deal with such situations. So we share experiences and trade knowledge with each other.

We also get feedback from upper management on what we are doing, how we can do better. So we have real involvement from upper management. I feel like they really try hard from their heart to help us. They support us also and this feedback we get is very important.

If they want us to do something, they also explain why we should do it.

Very nice to hear how deeply involvement upper management is in the development of service staff for service delivery.

Now as I mentioned earlier service quality is mostly measured by customer satisfaction, how is this done here at this hotel?

Of course we always check verbally with our guest whether their stay was great or not. We also have comment cards in the rooms, to get some feedback. Our hotel manager always reads this and always reacts to this, and follows up to us if something is notified about us relating to service or staff.

This feedback that you get from the guest, are they actually transferred into actual improvement of service or product at the hotel?

Yes. For example, a while ago there were many complains about how dark the halls were. Now after some time all the halls have lights. So we do listen and interpret exactly what the guest are saying and go on with this information and do something about it.

Ok. So you really do read and take action.

Now let's move on the last question for this interview, what do you think should change to improve service quality management?

Well this is a tricky question. I'm really happy with management and how they are involved and I'm happy with the culture in the hotel too.

I would have to say, for us, the problem is when it's really busy, we don't have enough time for the customers, I feel like we have to be quick and didn't get the best that I could.

Which is why I believe it's the expectations management that should be more emphasized on; if we can manage their expectations we can make sure there experience goes well.

If we know information about the guest prior to their arrival we can make efforts to increase their experience with us. Also we need to communicate well with marketing department about what it is that they actually communicating to the guest. The more we know about what is being marketed to the guest, the more of an impression we can have about their expectations and can act accordingly to make sure everything happens or exceeds their expectations. This is what I think should change. More emphasis on interdepartmental communication about external communication for the sake of managing or understanding customer expectations better.

Thank you for you for your time

Attachement 5 – Coding sequences

Sequence 1 – Open coding to Axial Coding

Open Coding	Axial Coding
Customer satisfaction Controlling customer satisfaction Supervising service delivery Ensuring service is provided at the right standards Concentrating on the customer Description of the service concept Service starts arrival and continues after departure	Relating to service quality
Meeting expectations of customers during service Delivering service according to the needs of customers Tangibles and intangibles Providing necessary tools and information A service can improve the experience of a guest Supervision during service delivery Different perceptions mean different expectations	Different perception of service quality
The extend of using social media as a source of feedback Utilizing social media Using word of mouth as tool Verbal feedback is passed on to management Prioritizing verbal feedback	Multiple sources for feedback
Different methods of measuring customer satisfaction Doubt on the validity of spontaneous feedback Measuring customer satisfaction Only measuring customer satisfaction once a year	Different methods of measuring customer satisfaction
Employee trainings and developing company culture Enhancing experience Ensuring functional quality can be delivered properly High engagement with guests Upselling Creating stories out of experiences Management involvement in employee development	Staff development

Empowerment to implement solutions Focusing on staff to ensure service delivery meets expectations Keeping up with service trends Knowledge on expectations is beneficial for high service quality Upper management commitment to employee development Emphasizing staff attitude to improve service quality Meetings are held to discuss service delivery moments Awareness of products, services and external communication Improvements are based on real case scenario's Personality and attitude are important for service delivery Communication with marketing department is important	Improving service quality
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Sequencing two – from axial coding to selective coding

Axial Coding	Selective Coding
Relating to service quality	Service concepts Different perceptions of defining SQ as well as different perspective towards relationship with SQ
Different perception of service quality	

Multiple sources for feedback	Measurement concepts Management of information received through numerous ways for improving service quality
Different methods of measuring customer satisfaction	

Staff development	
Improving service quality	Development concepts The incorporation of service with new information, data or insights to better improve service quality

