

A Framework Examining the Customer's Expectation and Cellular Phone Service

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ABSTRACT

This paper shows how to evaluate service quality, improve service deficiency and understanding the needs of customers are the most important issues in mobile value-added service market these days. This study identifies gaps between customers and service providers by a conceptual "Gap model". Based on this study, service providers could obtain higher revenue of mobile value-added service by reducing these perceptive discrepancies.

Keyword: Service; Service quality; Mobile value-added service; Expected service; Perceived service.

1. INTRODUCTION

1.1 Study Background

The market of mobile communication in Taiwan is almost full. Therefore the mobile value-added service will become one of the most competitive facilities for mobile service providers. Unhealthy competition in the mobile service industry has compelled many service providers to initiate quality programs. Achieving high quality standards along with high profitability and great market share is now an important part of strategic planning. The literatures of marketing are also reflecting an awareness of quality. Some of the recent studies have provided the theoretical frameworks of customer expectation of service quality, and some of them have already developed quantitative models to measure service quality.

1.2 Study Motivation

In today's mobile value-added service market, each firm has to provide high quality services to appeal to their customers. Hence how to evaluate service quality, improve service deficiency and understand the needs of customers are the most important issues. For example, with the fast growth of the mobile communication market, people already have more intention to have more services and applications which they can choose from. Among the mobile communication services, text message, voicemail and answering ringing are most popular and widely used today. To ensure the quality of mobile communication service, service providers have to provide convenient, enjoyable and novel services for users. Since more subscribers will create more profits, advertisers will be more willing to cooperate with service providers.

1.3 Study Objectives

This study will discuss the relationship of expectations and perceptions between customers and service providers. Furthermore, it can be applied in the mobile value-added services market.

2. LITERATURE REVIEWS

2.1 Service Quality

2.1.1 Service

Service is identifiable, but essentially intangible activities which are offered by people as products such as delivery and repair. Based on a review of previous research and an exploratory study, Zeithaml(1988, p4) suggested that "perceived value is the customer's overall assessment of the utility of product base on perceptions of what is received and what is given." If perceived service value is similar

to the concept of perceived product value, which can be considered to involve a trade-off between a customer's expectation of benefits of using a service and the expectation of cost of using the service. Customers' assessments of service value are hypothesized to influence purchase intentions and behaviors.

2.1.2 Characteristics of Service

There are three well documented characteristics of services as follows:

1. Intangibility: Most services cannot be counted, measured, stored, tested, and verified before selling to customers. Because of intangibility, the firm may find it is difficult to understand how consumers perceive their services and evaluate service quality. (Zeithaml, 1981)
2. Indivisibility: As a consequence, the quality of services cannot be engineered at the manufacturing plant and then delivered to the consumers. That is, quality occurs during services are delivered, usually in an interaction of the customer and the employee of the service providers. (Lehtinen & Lehtinen, 1982)
3. Heterogeneity: The performance of services often varies from firm to firm, from customer to customer, and from day to day. Consistency of behavior of service personnel is difficult to assure (Booms & Bitner, 1981). What the firm intends to deliver may be entirely different from what the consumer receives, so the services are heterogeneous.

2.1.3 Service Quality

Service quality is a measurement of the level of how well the service matches the customer expectation. (Lewis & Booms, 1983)

Recent marketing researches, such regarding customers' attitudes toward service, have been focused on perceived service quality. Perceived service quality is defined as the customer's assessment of overall performance of service. (Zeithaml, 1988)

Parasuraman et al.(1985,1988) considers the customer's assessment of overall service quality depends on the gap between customer expectation and perception of actual performance of service.

2.1.4 Dimensions of Service Quality

Consumers' expectations are based on verbal information, personal needs, experience and commercial information. Parasuraman et al. (1985) identified a number of discrepancies in the relationship between the clients and the service providers. During interviews in focus groups, they established ten dimensions of service quality as follows:

1. Tangible features: physical facilities, equipment, and front-line employees.
2. Reliability: ability to perform the promised service dependably and accurately.
3. Responsiveness: willingness and readiness to help clients and provide them services.
4. Communication: providing information in words that clients understand.
5. Credibility: honesty and truthfulness.
6. Security: ensuring clients from physical and financial risks.
7. Competence: adequately trained and skilled employees.
8. Courtesy: helpfulness, respect and a friendly attitude to clients.
9. Knowing: understanding customers and their needs.
10. Access: openness and interaction with clients.

2.2 Gap Model

Research (Thompson, DeSouza & Gale, 1985) and company experience (Rudie & Wansley, 1985) revealed that performing high service quality will result in measurable profits, cost saving, and market share growth. Therefore, knowledge of service quality and how it is achieved in organizations have become the important points for research. Parasuraman, Zeithaml and Berry (1985) previously developed service quality model to indicate that consumers' perceptions of service quality are influenced by a series of five distinct gaps occurring in organizations (as figure 1 illustrated). These gaps on the service provider's side may impede high quality performance of services that consumers perceive.

Gap 1: Difference between Expected Service and Management Perceptions of Consumer Expectations.

Service provider executives may not always connote the high quality features to consumers, which attributes what a service must have in order to meet consumers' needs, and the levels of performance on those features are necessary to deliver high quality service. (Langeard et al., 1981; Parasuraman & Zeithaml, 1983)

Gap 2: Difference between Management Perceptions of Consumer Expectations and Service Quality Specification.

Managers may not always have the ability to establish the standard of service quality that can conform to consumer expectation and transfer the standard into the realized ones.

Gap3: Difference between Service Quality Specifications and Service Delivery

There is discrepancy between the specifications of service and the actual delivery of the service. It can be referred to as the "service performance gap". That is, it is the extent which service providers do not perform service at the level consumers expected. The service performance gap occurs when employees are unable or unwilling to perform the service at the desired level. (Zeithaml, Berry & Parasuraman, 1985)

Gap 4: Difference between Service Delivery and External Communications to Consumers

The discrepancy between service delivery and external communications means exaggeratory promises or the absence of information about service delivery. It may affect consumer perception of service quality.

Gap5: Difference between Expected Service and Perceived Service

This gap is defined by the PZB model which suggested consumers feel the difference between expected service and perceived service. Hence, gap5 is a function of gap1 to gap4.

3. RESEARCH HYPOTHESES

A set of key discrepancies or gaps exists regarding executive perceptions of service quality and the tasks associate with service delivery to consumers. These gaps can be major hurdles in attempting to deliver a high quality service which consumers expected. The connection between expected service and perceived service is impossible to completely match. In other words, the exaggeration of marketing will influence the difference.

We suggest that the activity of reducing the gaps between expectations, perceptions and the practical actions, is to understand the customers' needs and then service providers will provide the services for matching the needs. Since the higher levels of service quality are related to higher levels of customer satisfaction.

Based on the results of the difference, we have formulated the following hypotheses.

H-1: There are significant discrepancies in customers' expectations of mobile value-added service and management perceptions of these expectations.

H-2: There are significant discrepancies in customers' expectations of mobile value-added service and the service delivered.

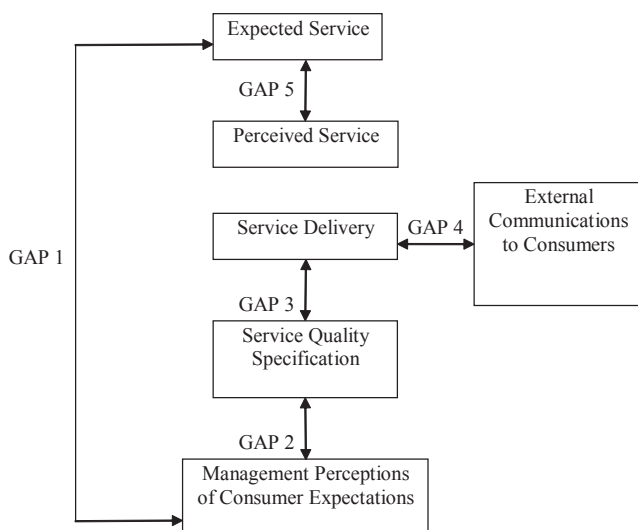
H-3: There are significant discrepancies between managers and service providers of the perceptions of customers' expectations of mobile value-added service.

H-4a: Discrepancies between customers' expectations of mobile value-added service quality and management perceptions of such expectations will have negative impact on the quality of mobile value-added service.

H-4b: Discrepancies between customers' expectations of mobile value-added service quality and the service delivered will have negative impact on the quality of mobile value-added service

H-4c: Discrepancies between managers and service providers of the perceptions of customers' expectations of mobile value-added service will have negative impact on the quality of mobile value-added service.

Figure 1. Conceptual model of service quality



CONCLUSION

The number of users of mobile communication market in Taiwan is very large, but the revenue of mobile value-added service is still insignificant. In other words, there is still potential growth in the mobile value-added service market. By the development of communication technology, it is possible to develop more variety of mobile value-added service today. For developing successful new services, it is important to match the users' needs. We have identified the gaps between customers and service providers above. Based on this study, service providers could obtain higher revenue of mobile value-add service by reducing these perceptible discrepancies.

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