
Towards a better understanding of service excellence

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Abstract

Some organisations are becoming more concerned with delighting their customers than simply satisfying them. Yet despite an extensive literature on service quality and satisfaction little has been written about service excellence and how organisations can achieve delighted customers. The purpose of this exploratory but empirically based paper is to provide a definition of service excellence to help marketers and managers, where appropriate, design and deliver it. This paper is based on over 400 statements of excellent and poor service gathered from around 150 respondents. After categorising them, using a grounded theory approach, it is suggested that service excellence is about being "easy to do business with". This has four key elements: delivering the promise, providing a personal touch, going the extra mile and resolving problems well. Further analysis of the frequencies of mention revealed the overarching importance of dealing well with problems and queries.

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Introduction

Service excellence is both obtrusive and elusive. We know when we have received it and, rather more frequently, we know when we have not. Such service, both excellent and poor, has a strong emotional impact upon us as customers, creating intense feelings about the organisation, its staff and its services, and influencing our loyalty to it. Yet many organisations seem to find service excellence elusive, hard to grasp, and also difficult to deliver. Paradoxically, we, as individuals, instinctively know what it is and how simple it can be.

The research on which this paper is based is part of a five-year study into service excellence commissioned by the Institute of Customer Service. Its purpose is to try to bridge this gap in management thinking by trying to develop a better understanding of service excellence and suggesting how to achieve it. This exploratory and initial paper makes an attempt to understand what is meant by the term "service excellence" as a first step towards helping marketers and managers, where appropriate, to design and deliver it.

Service excellence

It has been suggested that, in the past, many organisations have been satisfied with simply appeasing their customers whereas today the emphasis is on customer satisfaction (Fisk, 2002). In the future, Fisk contends, more and more organisations will be concerned with achieving customer delight. The reason for this may be that "evidence indicates that satisfying customers is not enough to retain them because even satisfied customers defect at a high rate in many industries" (Schneider and Bowen, 1999; see also, for example, Reichheld, 1996). It should be noted that a strategy of delighting customers may not be appropriate for all organisations (Johnston, 1995a). Dube and Menon (1998), for example, suggested that in hospital contexts, managers should be more concerned with reducing the drivers of dissatisfaction.

While many academics have made contributions to the now extensive literature on service quality, its attributes, dimensions and factors, its nature and how it can be improved, for example, there is much less work on service excellence and how organisations can achieve delighted customers. Although we may know when we have received excellent service, and indeed poor service, defining

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it, and operationalising it, appears to be more difficult. Surprisingly, little has been written defining the nature of excellent service and its outcome, delight, "Customer delight is a new concept in satisfaction research" (Oliver, 1997).

Satisfaction v. delight

Satisfaction is a judgment, whereas emotions, such as delight, are human affects resulting from judgments about satisfaction with a service (Oliver, 1997). Early work on satisfaction and dissatisfaction treated (dis)satisfaction as a two state construct, for example upset or not upset (Warland *et al.*, 1975), satisfied or dissatisfied (Day, 1980). It is now more accepted to conceptualise satisfaction as a continuum often expressed in terms of emotions. However, this emotional basis for the satisfaction response is not well documented in the literature (Oliver, 1997). Emotional anchors for the extremes of the satisfaction continuum include, for example, delight to terrible (Andrews and Withey, 1974) and delight to outrage (Schneider and Bowen, 1999). Other authors (for example, Prakash, 1991; Johnston, 1998) referred to the intensity of emotion using descriptors such as absolutely furious.

Some recent research has demonstrated that emotions play a major role in perceived levels of service quality and satisfaction (Liljander and Strandvik, 1997). Dube and Menon (1998), for example, linked feelings of anger and frustration to decreases in dissatisfaction and emotions such as serenity and happiness with increases in satisfaction. Yu and Dean (2001) took this further and found that emotions are a better predictor of customer loyalty than satisfaction.

Excellent service, the focus of this paper, results in feelings at one end of this emotional spectrum. Oliver suggested that delight is "an expression of very high satisfaction" resulting from "surprisingly good performance" (i.e. excellent service).

It is often assumed that delight is the result of (excellent) service that exceeds expectations (see, for example, Schneider and Bowen, 1999; Grönroos, 1990). However, this definition has its drawbacks. In essence, exceeding expectations may be unnecessarily costly. "If perceived quality is too high, the costs of production are probably unnecessarily high . . . Then we have an *overquality*, which cannot be justified for economic reasons. Moreover, an overquality may simply be perceived by the customer to exceed what is really needed, which in turn can even create bad word-of-mouth. Overquality may also give the impression that the service is overpriced, even if this is, in fact, not the case" (Grönroos, 1990). Additionally, as delivered service quality increases so might customers' expectations of subsequent service. As a result, what

might previously have been regarded as excellent service becomes simply adequate (expected) service, unless the organisation continues investing in this spiral of increasing quality and expectations in order continually to exceed expectations.

"Exceeding expectations" implies that organisations have continually to do more in order to deliver excellent service and delight their customers. I would argue that this definition of excellent service is inappropriate, unachievable in the long term and difficult to operationalise. Indeed what is missing is some notion of what the customer values that leads to feelings of delight (or disgust). The purpose of this paper is to work towards a better understanding of service excellence in order to be able to operationalise this state so that marketers and managers can, where appropriate, design and deliver it.

Method

The data on which this paper are based were obtained from three sets of data from around 150 individuals in total. One set was based on four focus groups (with between 20-25 people in each group) of randomly selected members of the public from two locations in the UK: St Albans and Coventry. A second set comprised a convenience sample of 20 senior managers, which aimed to capture a wide range of opinions from both public and private organisations. The organisations included Employment Services, National Westminster Bank, Daventry Council, Marks & Spencer, Modern Records Library, Conoco, Environmental Services, Thomson Travel and the project's sponsoring organisations: Britannic Assurance, FirstGroup, Lloyds TSB, RAC, and Vodafone. The remainder were customer service managers from a variety of organisations in the UK who attended the Institute of Customer Service National Conference in May 2001.

All the respondents were asked to identify organisations that they believed had a reputation for providing excellent and poor service. They were then asked what constitutes excellent and poor service as delivered by such organisations. Over 400 statements were collected and they were analysed independently by two researchers using open, intuitive and selective coding. The researchers summarised the comments into key words and phrases and identified key themes. Then, using an iterative process, they agreed on a set of characteristics of excellent and poor service.

This grounded theory approach (Glaser and Strauss, 1967) was deemed the most appropriate for such an exploratory study and has been used in several recent studies (see, for example, Brignall *et al.*, 1999; Johnston and Mehra, 2002; Johnston

et al., 2002). Grounded theory is an interpretative, hermeneutic, qualitative approach to research that allows for an investigation of the many contextual variables (Yin, 1994). It is not based on a priori assumptions or hypotheses but derives explanations of social phenomena based on observations, deduction and interpretation. Whilst a grounded theory approach is unsuitable for drawing inferences to a larger population, the objective of such research is to use the qualitative data for explanatory purposes and to generalise back to, and refine, theory.

Findings

The distillation of these characteristics suggested that, in essence, service excellence was simply about being “easy to do business with” (not necessarily exceeding expectations). Excellent service was described simply as “a pleasure”. There were no hassles or difficulties. Such organisations were just easy to do business with, as one respondent reported: “it was quick and easy, they were really helpful”. Customers did not expect “the earth”; indeed one focus group member admitted, “We are easily pleased”. And, interestingly, the respondents admitted that they were quite prepared to pay extra for this.

Conversely poor service organisations were a “pain to do business with”. They were often described as “a nightmare” to deal with. Several respondents reported that they felt “the customer was just a problem to them”. Their staff and systems made it difficult for customers to do business with them. They just did not care about the customers or their experiences. Customers understood when they were purchasing a low price or no-frills service and happily accepted the organisation’s business proposition; indeed some such organisations made it into the list of organisations providing excellent service. What customers would not forgive, however, was no, or poor, service appropriate to the service proposition, as one person stated “I will accept little service for a low price but not zero service”.

The phrases about excellent service provided by the respondents fell into four categories:

- (1) Delivering the promise.
- (2) Providing a personal touch.
- (3) Going the extra mile.
- (4) Dealing well with problems and queries.

The characteristics of poor service were in essence the opposite of the excellent ones:

- not delivering what was promised;
- being impersonal;
- not making any effort;
- not dealing well with problems and queries.

Table I provides some representative comments from each of these categories. The comments demonstrate the simplicity of excellent service. One interesting point was the things that respondents described as an “extra mile”. In all cases these were small touches. Some respondents mentioned the socks or the toothbrush or the ice cream half way through the film when flying Virgin Atlantic, or the sweetie or the flower on the pillow in some hotels. It is clear that small touches provide high leverage in terms of customers’ perceptions of a service.

Figures 1 and 2 show the frequencies of mention in each of these categories.

What is striking from the figures is that excellent and poor service is only in part about “normal” service delivery, i.e. delivering the promise. Simply delivering the promise (or not), was only the second most mentioned aspect of excellent (or poor) service. What makes excellent service “excellent” and poor service “poor” is very much about how the organisations dealt with problems and queries. Nearly 50 per cent of the statements describing what made excellent service “excellent” were about problem handling and 64 per cent of the statements of poor service were about problem and complaint handling. Problem handling is a key driver of people’s perceptions of excellent or poor service.

The other two characteristics, how the organisations dealt with people i.e. the personal touch (which is sometimes narrowly referred to as “service”) and going the extra mile (an obvious means of exceeding expectations) were much less important.

Conclusion

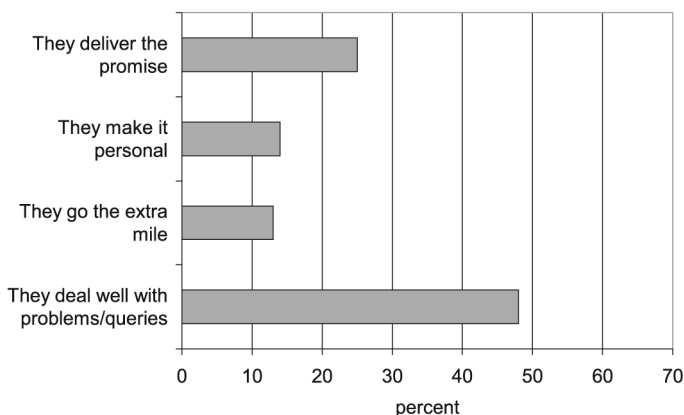
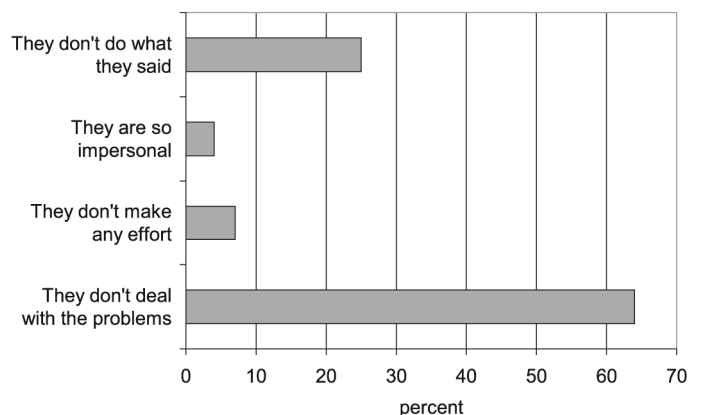
The objective of this paper was to make an attempt to understand what is meant by the term “service excellence” as a first step towards helping marketers and managers, where appropriate, to design and deliver it. The definition of service excellence as “exceeding expectations” was considered unhelpful.

The definition of service excellence proposed here may indeed exceed expectations, but requires organisations to do no more than they promise. Service excellence is about “being easy to do business with”. It simply requires organisations to do what they promise and if and when things go wrong to have good systems in place to deal with them. A personal touch and a few small extra touches may contribute to this perception.

Dealing well with problems and queries appears to be a critical determinant as to whether an organisation is perceived as excellent or poor. Customers much prefer an organisation to deliver its promise but are prepared to accept problems

Table I Some of the respondents' comments

Excellent service	Poor service
<p><i>They deliver the promise</i> They do what they said They don't let you down They give you what you want, not what they want You are not disappointed If you ask them to do it, it just happens</p> <p><i>They make it personal</i> They give you the time They know about me, I don't have to keep telling them They know who I am, or at least appear to know who I am It feels more like a relationship than a transaction They make eye contact and smile and they mean it They treat me like an individual</p> <p><i>They go the extra mile</i> It's the little touches They went out of their way They explain things They call you back, I didn't have to chase them They had some nice touches quite easy but it really made the difference They fall over themselves to help</p> <p><i>They deal well with problems</i> They were happy and willing to sort it out They took responsibility It was quick and easy They did not pass me around They believed me They did the work They gave open and honest explanations They phoned me back They know what to do if there is a problem When it goes wrong THEY sort it out</p>	<p><i>They don't do what they said</i> They didn't have it/do it; it was wrong They let me down They work hard to get you and then when you sign, that's it They just look at you daft when you ask for anything</p> <p><i>They are so impersonal</i> There was no eye contact They didn't even acknowledge me They looked like they didn't trust me They were patronising There was no personal touch It was plastic service They are blinkered by the process I was insulted</p> <p><i>They don't make any effort</i> They ignored us They didn't listen You just get a blank look They don't care They were not interested The customer is just a problem to them</p> <p><i>They don't deal with the problems</i> They did nothing, there was no plan B They denied responsibility They make it difficult to talk to them They gave me the run around They blamed me I had to do all the work They didn't phone me back They fobbed us off, just a couple of gift vouchers There was no apology They don't learn from mistakes They pass the buck You have to keep repeating yourself Things go wrong too often I ring them every month and each time I have to tell them the whole story You spend half an hour trying to get through and when you do they don't know anything</p>

Figure 1 Characteristics of excellent service**Figure 2** Characteristics of poor service

provided they are dealt with well. This “recovery paradox”, the creation of more delight through good recovery than normal service, is discussed elsewhere in the literature (see, for example, Johnston, 1995b; Johnston and Fern, 1999; Tax and Brown, 1998a, b).

From an academic perspective, this research has demonstrated the importance of the service promise (or concept) and service recovery and complaint management. Yet surprisingly, these areas are not well researched.

From a practitioner perspective, this research would suggest that there is a need for clarity about the “service promise” in order to market it (thereby setting customers expectations of what is to be delivered) and deliver it (to ensure the promise is delivered). The importance of having good recovery systems and complaint systems is critical for organisations seeking to deliver excellent service. Importantly, this work has also provided what might be considered the acid test of service excellence: are you “easy to do business with”? Additionally, do your customers use terms such as those on the left-hand side or right hand side of Table I to describe your organisation?

This exploratory and grounded study has a number of limitations. Aside from the limitations of sample size and the limitations imposed by any interpretative study of the judgments made in the coding process, one key concern is the wide range of service organisations on which the data are based. It would be appropriate to repeat this work focusing on different service industries and segments and also by different strategies employed (such as delight v. satisfy) to identify differences in characteristics of excellence.

While this research has focused on the “what” is service excellence, a second direction for future research would be to study the “how” – how do the successful organisations go about delivering service excellence? Indeed the next stage of this research is to study some of the most frequently cited providers of excellent service to understand how they manage to deliver it. It may also be appropriate to study some of the poorer performers.

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