

Quality : A Competitive Advantage

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Quality: A Competition Advantage

- Service Quality is critical to success
- Employees have crucial impact upon service quality
- There needs to be an implementation and integration of
 - Organisational Culture & Climate
 - Service Quality
 - Customer Satisfaction
- Why do so many Quality initiatives fail?
- “Sloppy service driving tourists away: Minister” *Courier Mail*
22nd August 2005

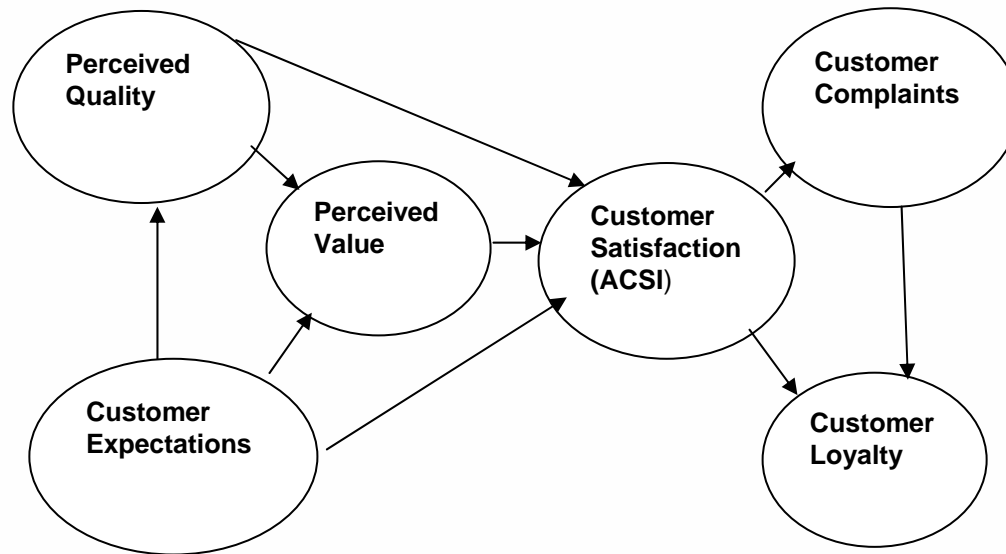
Determinants of Service Quality

- Performance & Brand standards
- Customer assessment of service quality
- Employee/Customer interface
- The normal way to assess service quality is to use a customer driver approach
- GAP analysis (SERQUAL or LODGSERV)
- Problem with this approach is different customers see and rate the same service level differently.

Measuring Customer Satisfaction

- Many companies conduct customer based surveys post stay
- Guest comment card - far too narrow & limited
- Mystery shoppers and focus groups
- 75% of Service Quality & Customer Satisfaction is judged, not by product, but by service attributes of the staff
- Total market surveys e.g. American Customer Satisfaction Index which rates all major US hotel companies.

Figure 1: American Customer Satisfaction Index Model



Source: ASCI (2002)

Service Quality & Organisational Climate

- Many organisations now use organisation climate survey e.g. Employee Opinion Surveys
- These show how employees are thinking about an organisation
- If employees are positive then the right climate exists for good service
- Climate is a snapshot of time and can be influenced by many factors – e.g. Managers and supervisors, company policy directives and by corporate culture
- Organisational climate often seen as a surrogate for LEADERSHIP

Operations, Organisational Climate and Customer Satisfaction

- Employees must be integral to development of any service quality plan.
- To achieve quality many employees often redesign their own jobs to satisfy customers
- Employers must establish a quality climate and culture as this is the cornerstone of any successful quality initiative
- Employees need to be free to try to an satisfy customers without fear of reprimand if it doesn't work
- Direct link between a good organisational climate and customer satisfaction.

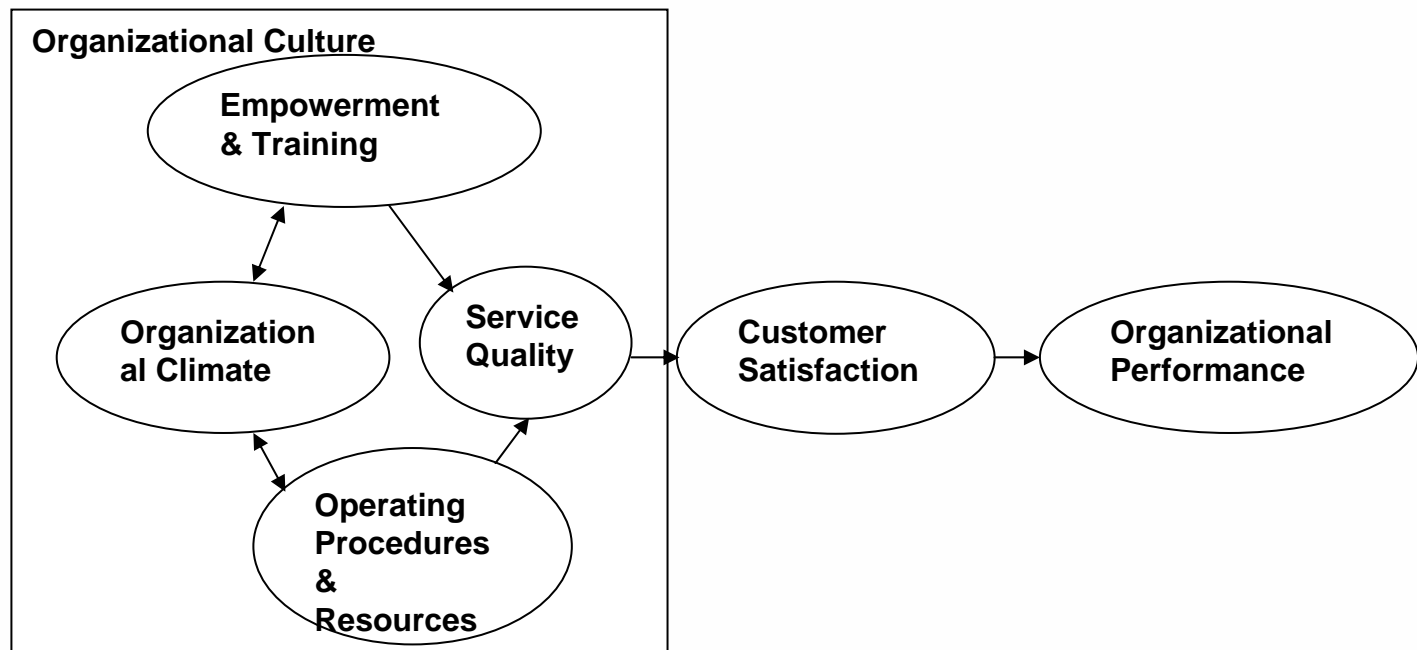
Industry View of Service Quality

- Q. How does your property define service quality?
- A. Meeting and exceeding guest expectation and brand standards
- Q. How do you measure service quality?
- A. Combination of guest comment cards and post stay mailed out surveys
- Q. What part does corporate culture play?
- A. Culture is the driving force and embodies in brand standards.
- Q. What part do supervisors and managers play in enhancing service quality?
- A. Combination of coaching and controllers of standards?

Industry View of Service Quality Control

- Q. Are there sufficient resources to support a quality service environment?
- A. Some said that they lacked resources but most agreed sufficient
- Q. What are the major issues for your property in achieving service quality?
- A. Quality of the labour market and maintaining consistent service.
- Q. Why does service quality matter?
- A. Direct relationship to profitability and differentiating from other properties.

Proposed conceptual model to implement a service quality agenda



Source: Davidson (2003) CSP MODEL

Applications and conclusions

- The CSP model puts forward a truly integrated approach to Service Quality
- It is impossible to have a continuous service quality initiative that is successful without an integrated approach
- Does it complicate the management process? YES!
- Does it offer the potential for better performance? YES!
- WHO WINS? BOTH CUSTOMERS AND COMPANY