



## SERVQUAL REVISITED

# Finding Service Gaps in the Age of e-Commerce

By A. PARASURAMAN

Many companies today are tapping into new technologies to cut costs and collect huge amounts of data from customers. With the rise of social media and other online tools, firms are able to track information exchanges like never before.

However, most firms tend to collect customer information and dump it into storage. Few have developed a keen understanding of how to extract useful information and then use it to improve service and add value. It's not surprising, then, that businesses continue to launch services that don't really reflect what their customers want or need. This disconnect – between what the customer expects and what a company provides – can pose a real threat to a company's

long-term survival.

In the mid-1980s, my colleagues and I created a system for measuring service quality, called *SERVQUAL*. The framework has become standard for companies in diverse sectors.

Although the business world has witnessed dramatic changes over the intervening decades, I believe that the *SERVQUAL* framework remains just as relevant, if not more so, today. Many companies, awash with too much information, are struggling to single out which services they should launch or discontinue. Don't let the new technologies distract you: This article revisits the long-standing *SERVQUAL* framework in light of today's challenges, showing how this and other tried-and-tested assess-



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ment tools can help to give your firm's service efforts much-needed direction and focus in this age of big data.

### Back to Basics: SERVQUAL Scale

The SERVQUAL scale may be familiar to you: It starts with a questionnaire that illuminates the gaps between what customers expect and what they actually perceive about a given company. Gap scores are determined by subtracting customers' expectations ratings from their perceptions ratings on a 22-item scale (see **Exhibit 1**). This serves to quantify the service expectation/perception gap along five broad dimensions, which are applicable to any industry:

**TANGIBLES.** The appearance of physical facilities, equipment, personnel and communications materials.

**RELIABILITY.** The ability to perform the promised service dependably and accurately.

**RESPONSIVENESS.** The willingness of a company and its employees to help customers and provide prompt service.

**ASSURANCE.** The knowledge and courtesy demonstrated by employees, and their ability to inspire trust and confidence.

**EMPATHY.** The caring, individualized attention that the firm provides its customers.

After publishing SERVQUAL in the *Journal*

of *Retailing* in 1988, my colleagues and I delved further into probing customers' service expectations through extensive focus groups covering multiple sectors. What emerged was that customers' service expectations exist at two different levels:

**DESIRED SERVICE.** A blend of what customers believe *can be* and *should be* provided – that is, the realistic ideal.

**ADEQUATE SERVICE.** The minimum level of service that customers are willing to accept.

In between these two levels is a *zone of tolerance*, reflecting a range of service expectations a customer has. The zone of tolerance also represents the range of service performance the customer would consider satisfactory.

### Measuring Quality Online: The e-SERVQUAL Framework

Since the mid-1990s, my research agenda has shifted from service quality per se to the role of technology in service delivery. My collaborations relate to three interlinked, but distinct, research streams relating to the role of technology in service delivery: e-service quality; the technology readiness of customers and employees; and network-based service systems.

The traditional approach to marketing and service delivery is reflected by the Triangle Model of Services Marketing proposed by marketing specialist Philip Kotler, which is designed to capture the complexities of marketing services relative to marketing *tangible goods*. The three vertices of the triangle are the company, its employees and its customers, with each side representing:

**EXTERNAL MARKETING.** Connecting a company with its customers, using the conventional modes of marketing, such as the 4Ps of product, price, place and promotion.

**INTERNAL MARKETING.** Connecting the company with its employees, and emphasizing the need to view employees – especially customer-facing employees – as internal customers, ensuring they are satisfied and sold on the company.

**INTERACTIVE MARKETING.** Connecting employees with customers, and emphasizing the importance of ensuring that all customer interactions with the company's employees enhance rather than detract from the company's image in the customers' eyes.

Conspicuously missing from this model is technology, which is increasingly mediating

### EXECUTIVE SUMMARY

**Thirty years after developing the well-known SERVQUAL scale**, the author revisits the original framework in light of the growing role of technology in service delivery. As more and more people turn to the Internet to purchase goods and services, he and his colleagues have recognized the need to adapt the SERVQUAL framework to the realities of the online experience; specifically, to measure the extent to which a website facilitates efficient and effective shopping, purchasing and delivery, with the aim of improving the service quality of websites. This has led to the development of e-SERVQUAL,

as well as the technology readiness index to segment customers. As many enterprises move into new sales formats, such as integrating online and brick-and-mortar retail services, they would do well to find out what customers really value. Many companies, the author feels, are tapping into new technologies only insofar as to cut costs or collect huge amounts of customer data, which they tend to dump into storage. This article shows how tried-and-tested assessment tools can help give your firm's service efforts much-needed direction and focus in this age of big data.



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interactions among companies, employees and customers. Consequently, I proposed a Pyramid Model of Services Marketing, which recognizes technology's growing role for traditional external, internal and interactive marketing by placing technology at the pinnacle of the pyramid.

As more and more people turn to the Internet to purchase goods and services, my colleagues and I recognized the need to adapt the SERVQUAL framework to the realities of the online experience; specifically, to measure the extent to which a website facilitates efficient and effective shopping, purchasing and delivery, with the aim of improving the service quality of websites.

We developed the e-service quality scale, or e-SERVQUAL. It helps to quantify a website's service performance, as perceived by customers, on a 22-item scale, reflecting four dimensions that mirror aspects of traditional service quality:

**EFFICIENCY.** The ease and speed of accessing and using the site.

**FULFILLMENT.** The extent to which the site's promises about order delivery and item availability are fulfilled.

**AVAILABILITY.** The correct technical functioning of the site.

**PRIVACY/SECURITY.** The degree to which the site is safe and protects customer information.

Of these four, customer assessments of efficiency and fulfillment appear to be the most critical and have the strongest influence not only on overall quality perceptions but also on perceived value and loyalty intentions. As such, companies should place extra emphasis on website attributes pertaining to these two dimensions, particularly with regard to behind-the-scenes infrastructure.

The system's availability is also a critical contributor to customer perceptions of overall quality, value and loyalty intentions. Admittedly, it's not always possible for companies to have full control over this dimension, owing to various factors at the customers' end, such as the type of computer or Internet connection they have. However, companies should, at the very least, be sensitive to overly sophisticated design features that could have negative effects on system availability. Also, they should be able to identify aspects of system availability beyond their control and then proactively devise appropriate scripts in anticipation of customer complaints.

Privacy considerations vary according to customers, with some frequent, heavy users regarding it as a less critical issue. Even so, our findings from surveys of Amazon.com and Walmart.com customers showed that quality/value perceptions and loyalty intentions were indeed influenced by privacy perceptions. Taking a few steps to mitigate security concerns and reassure customers – by providing design cues and communications that signal the privacy/security of websites – will not go amiss.

### When Things Go Wrong: The Human Touch

None of the four basic e-SERVQUAL dimensions calls for personal service. In fact, online companies can deliver superior service with little or no human contact mainly because most customers who go online to purchase a product are simply looking for fast, straightforward, routine transactions, which is why efficiency is so important.

The exception is when things go wrong. When there's a problem, we have seen that customers want help immediately and preferably from a human being. Recognizing that website-mediated interactions imply a distinct set of recovery-service dimensions for solving customer problems, my colleagues and I created a second

### ■ ABOUT THE AUTHOR

**A. "Parsu" Parasuraman** is the James W. McLamore Chair in Marketing and Director of PhD Programs at the University of Miami's School of Business Administration. He holds a DBA in Marketing from Indiana University, as well as an MBA and a BTech from the Indian Institute of Management-Ahmedabad and the Indian Institute of Technology-Madras, respectively. He specializes in services marketing, service quality measurement and improvement, and the role of technology in marketing to and serving customers.

He has published more

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