

Right first time

Ongoing research on service quality has provided both practitioners and academics with a clearer understanding of the nature and composition of service quality. Service reliability most frequently emerges as the most important service quality dimension to the customer — usually by a considerable margin.

The results of a survey with 1,000 of the "top" service industry firms in the United Kingdom allowed the development of a checklist and benchmark results that enable managers to assess their firms' service reliability. The findings also offer research based evidence for the often affirmed relationship between reliable service delivery and improved business performance. Managerial implications and recommendations are also made.

Like "quality", the notion of reliability has its roots in the physical goods manufacturing sector, where common definitions concentrate on the probability that product offerings will function satisfactorily when used according to specified conditions for specified time intervals.

In many instances, reliability is seen to involve how well products perform compared with manufacturers' promises. Indeed, this is equally applicable in service industries. Service reliability is the ability of the service provider to perform the desired service dependably and accurately.

Simply, it has to do with "doing it right first time". Reliability has stood out among the other service quality dimensions (tangibles, responsiveness, assurance and empathy), as being of utmost importance, regardless of the specific service and as key to services marketing excellence.

Service reliability management

With few exceptions, it would be fair to assume that most organisations are faced with disproportionately more objectives, challenges and opportunities than they have resources — and hence there is a need to prioritise and concentrate on the relatively more important issues. Common sense underscores the importance of reliability in delivering quality service. This is also supported by research. Given the prevalence of broken service promises and service errors, consistent service reliability provides the firm with the opportunity to compete effectively and build a reputation for service.

Achieving competitive differentiation through consistent service reliability can provide several significant marketing benefits, namely higher current-customer retention rates, and hence reduced pressure to engage in expensive efforts to recruit new customers; more business from current customers; and increased, positive word-of-mouth communications. This would imply that service reliability can be linked to improved business performance.

Naturally, the best indication of a firm's service reliability would come from its customers, and so all attempts to assess service reliability and its effects

By Albert Caruana

might best be grounded in this type of data. On the other hand, it should also be useful for managers to have a checklist of best practices, as it were, with regard to service reliability, and to understand the effects of these practices on performance. Research carried out, with a colleague, among 1,000 of the "top" service industry firms in the United Kingdom allowed the development of a checklist of best practice and benchmark results that enable managers to assess their firms' service reliability without the need of external customer surveys. The checklist that was developed enabled the identification of three key areas that require attention to ensure service reliability, namely:

- Service leadership which can be seen to encompass "error minimisation".
- The "communications of organisational culture and values".
- Thorough testing procedures, and an infrastructure for error free service.

Service reliability and performance

Does doing it "right first time" provide payoffs in a service business? Customer orientation notwithstanding, it would be unwise of services marketers to give attention to service reliability if it does not result in some payoff. Three measures of corporate performance were used as dependent variables in a multiple regression with the service reliability factors as predictors. The regression of the dimensions of service reliability on overall performance, confirmed a statistically significant, albeit small relationship.

Overall performance is affected by a large number of variables and one cannot expect high significant scores. However, the results confirm that service firms who are more reliable, do seem to perform better. The results also show that the "error minimisation" factor (akin to "doing it right first time"), indicates the strongest relationship to overall performance.

Implications

Most studies have shown that service reliability is the most important dimension of service quality. Relative service quality as perceived by customers, in turn, has been demonstrated to have a major impact on a number of measures of corporate success in most firms. The research confirms that the link between service reliability and overall performance is significant and that error minimisation as a dimension of service reliability is a strong driver of overall performance.

This "no mistakes, do it right first time" factor would imply a two-pronged effect on performance: on the one hand minimal service errors will attract and retain customers, thus boosting revenues; on the other, error minimisation implies lower costs (or reflexes, reworks and refunds), thus lowering costs and increasing margins.

Managers may wish to use the

checklist for a more practical, but certainly no less important purpose: as a way of assessing the current state of service reliability management practice within the firm, either as an individual, or as part of a team addressing these issues.

The user would also be able to

compare his or her firm's scores with those of a benchmark sample of large UK services firms. That it is critical for organisations to "do it right first time" is today accepted. It is now time for service reliability to be managed effectively — this does indeed seem to make a difference.

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The full paper on this research which will appear in "The Journal of Services Marketing" (UK) can be obtained by writing to Dr Caruana.



BROADCASTING SEMINAR

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09:30 - 18:15
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Programme

Registration and Coffee

The fee for the seminar covering all documentation, lunch and refreshments is Lm15. The student rate is Lm5.

Chairman's Introduction and Welcome

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Chev. Maurice Mizzi
Chairman, Smash Communications Ltd

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Mr Tony Mallia
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Coffee

The Presentation of Advertisements

Mr Charles Mizzi
Board Member - Broadcasting Authority

Keynote Address

The Regulation of Broadcast Advertising - The European Experience

Professor Dr Bernd-Peter Lange
Director-General, European Institute for the Media

Question and Discussion

Lunch

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Mr George Mifsud
President, Association of Advertising Agents

Advertising - Whose Right to Choose?

Mr Adrian V Muscat Inglott
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End of Seminar - Drinks

Advance booking from the offices of the
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