

# Customer-Service Perceptions and Reality

*Is the customer always right? If so, corporations have a long way to go in improving customer-service training. Customers' perceptions of service quality are alarmingly different from the perceptions of front-line employees, says this study.*

Jane Miller walked away from the airport restaurant in disgust. She was close to missing her plane thanks to the restaurant's slow service, and her encounter with the uncooperative waiter had left her even angrier. After a long, hard week of training, the unpleasant experience stuck in her mind. Even though she travels weekly, and had found the restaurant convenient and the food good, Jane vowed she would never go back there again.

How often we hear stories like that one! Poor service can turn the most loyal, devoted customer into a former customer.

But it doesn't stop there. Chances are, Jane shared her bad experience with others. Research shows that the typical dissatisfied customer tells at least 10 other people about the poor service; many tell up to 20 people! The implication is clear: the airport restaurant lost a regular customer who probably influenced several more.

Most organizations stress the value of excellent customer service. A large number, however, only pay lip service to that value. Today, our service sector lies on the cusp of tremendous change. The huge growth in service-

related industries, concurrent with the decline in available workers to fill service positions, will lead to an employment crunch in the 1990s. Employers will have a hard time finding—and keeping—dedicated, hard-working

customer-service people who will meet their customers' needs.

## A perceptions study

In the past few years there's been a tremendous amount of research into

### Customer-Service Dimensions

**Communication:** clearly expresses self (verbally or in written form) when communicating with customers.

**Customer sensitivity:** recognizes and shows concern for customers' feelings and points of view.

**Decisiveness:** is willing to make decisions and take action aimed at addressing customer needs and concerns.

**Energy:** remains highly alert and attentive when dealing with customers.

**Flexibility:** changes own service style and approach based on the customer's needs, personality, and disposition.

**Follow-up:** delivers in a timely and responsive manner on promises and commitments made to customers.

**Impact:** maintains a neat appearance; makes a positive impression on the customer.

**Initiative:** takes action to consistently meet or exceed customer expectations.

**Integrity:** adheres to high social and ethical standards when dealing with customers.

**Job knowledge:** shows thorough understanding of the organization's products and services as well as customer policies and procedures.

**Judgment:** develops effective approaches, based on available information, to address customers' needs and solve problems.

**Motivation to serve customers:** derives satisfaction and job fulfillment from dealing with customers, meeting their needs, and handling their concerns.

**Persuasiveness/sales ability:** gains customer acceptance of ideas and solutions to problems; convinces customers of the benefits of the firm's products and services.

**Planning:** takes time to organize work and prepare for customer interactions.

**Resilience:** effectively handles customer problems, unpredictable work flow, and other job-related pressures while serving customers.

**Situation analysis:** gathers relevant information and facts about a customer's situation and analyzes and organizes them logically.

**Work standards:** establishes high standards for customer service, striving constantly to achieve them.

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customer-service issues. Very little of that research, however, focuses on the skills, abilities, and motivations customer-service people need to do their jobs successfully. Since these people represent the key link between customers and the service organization, the criticality of their role cannot be overstated.

For that reason, we recently conducted a research study in conjunction with several major organizations. This innovative study had four major purposes:

- to identify the dimensions, or job behaviors, required for effective customer service, from the viewpoint of both customers and customer-service people;
- to assess the degree of proficiency with which the dimensions are performed from both perspectives;
- to examine the impact of customer service on customer behavior;
- to explore any differences between the perceptions of customers and those of customer-service people.

Our first step was to identify a list of dimensions we believed would relate to effective customer service. We examined more than 100 books and articles on customer service, reviewed numerous job analyses from our database on dozens of customer-service positions, and finally identified 17 dimensions of customer service. To check the accuracy of these dimensions and their definitions, we had them reviewed by a panel of job experts. You can find the revised list of dimensions with their definitions in the sidebar.

To get both the customers' and the customer-service people's perspectives on customer service, we devised two survey questionnaires constructed around the dimensions. Respondents rated each dimension on two scales, importance and proficiency. The importance scale asked respondents, "How important do you feel this dimension is to effective customer service?" Possible responses ranged from 5 (extremely important) to 1 (not important). The proficiency scale asked respondents, "How well do you feel customer-service people use this dimension when they interact?" Again, the responses ranged from 5 (always done well) to 1 (never done well).

More than 1,300 customers from a wide geographic range (including the United States, Canada, and Great

Britain) completed one survey. Nearly 900 customer-service people representing nine diverse organizations completed the other survey, which asked them to rate the importance and proficiency of the dimensions within their own organizations.

The second part of both surveys was designed to measure the impact of customer service on customers' decisions to do repeat business. One survey item asked, "How much does good service affect your decision to do business again with that organization?" On the five-point scale, responses ranged from "extremely great effect" to "little or no effect." The second item asked respondents, "How often do you tell other people when you receive outstanding, adequate, or poor customer service?" Response categories were "never," "occasionally," and "frequently."

### Two alarming gaps

The customers' survey results are in Figure 1. Note the consistent, striking discrepancy between how important customers rate each dimension and how well it is performed.

Customers rated all 17 dimensions between "important" and "very important," with means ranging from 3.56 to 4.10. When it came to service performance, customers rated all but one dimension as "rarely well done," with means ranging from 2.54 to 3.24. All but three of the 17 dimensions

show a full-point difference between average ratings for importance and proficiency.

In Figure 2 are the customer-service people's survey results. As in the customer sample, proficiency ratings were lower than importance ratings. Proficiency ratings ranged from 3.13 to 3.66, nearly an entire point lower than importance. Thus, even customer-service people perceive a gap between the importance of a job skill and how well it is carried out.

While a gap does exist in the customer-service people's sample, it is important to note that their ratings for both importance and proficiency are above three points.

These gaps are dramatic, and the crisis in customer service today may be explained by these perceptual discrepancies. Service delivery simply does not meet customer expectations. Just how important is service delivery?

### The impact of customer service

Figures 3 and 4 show the impact of customer service on business success. The effect that good service has on the decision to do business with an organization again can be seen in Figure 3. The quality of service greatly influences the decision to continue the business relationship, according to both customers and customer-service employees.

**Figure 1—Customer-service dimensions, customer sample**

Dimensions	How Important	How Well Done
Communication	4.05	2.95
Customer sensitivity	3.92	2.69
Decisiveness	3.84	2.74
Energy	3.87	2.89
Flexibility	3.71	2.68
Follow-up	4.09	2.68
Impact	3.80	3.24
Initiative	3.67	2.54
Integrity	3.97	2.87
Job knowledge	4.10	2.96
Judgment	3.82	2.80
Motivation to serve customers	3.97	2.73
Persuasiveness/sales ability	3.56	2.91
Planning	3.76	2.74
Resilience	3.84	2.75
Situation analysis	3.71	2.77
Work standards	3.93	2.81

*Ratings are on a five-point scale, ranging from 1 (not important, or never done well) to 5 (extremely important, or always done well). All differences are significant ( $p < .001$ ).*

**Figure 2—Customer-service dimensions, customer-service personnel sample**

Dimensions	How Important	How Well Done
Communication	4.55	3.64
Customer sensitivity	4.38	3.56
Decisiveness	4.34	3.53
Energy	4.21	3.38
Flexibility	4.20	3.47
Follow-up	4.51	3.31
Impact	3.84	3.66
Initiative	4.00	3.13
Integrity	4.29	3.64
Job knowledge	4.54	3.56
Judgment	4.31	3.59
Motivation to serve customers	4.27	3.32
Persuasiveness/sales ability	4.03	3.23
Planning	4.05	3.24
Resilience	4.32	3.42
Situation analysis	4.26	3.55
Work standards	4.26	3.44

Ratings are on a five-point scale, ranging from 1 (not important, or never done well) to 5 (extremely important, or always done well). All differences are significant ( $p < .001$ ).

Figure 4 shows how frequently respondents discuss the quality of the service they receive. Survey results indicate that 57 percent of the customers surveyed tell friends and colleagues when they receive outstanding service. On the other hand, only 38 percent of the customer-service people perceive that customers talk frequently about excellent service. When service is poor, 65 percent of the customers report that they tell others, while 75 percent of the customer-service people perceive that customers share their bad experience.

### Implications for HRD

The study results have four significant implications for HRD practitioners.

First, service matters. Our survey impact questions confirm what we've heard many times before: good service keeps customers coming back; poor service loses customers, even previously loyal ones.

Second, it's crucial that organizations monitor and evaluate the perceptions customers have of their customer-contact people. It's equally important that they understand their own service people's views on the quality of customer service. Any organization may be doing better or worse than our surveys, and a similar analysis is an essential first step in pinpointing actions that need to be taken.

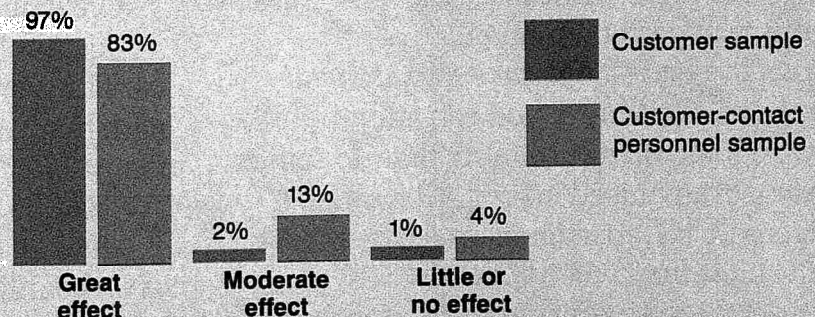
Third, the job skills of customer-service people most likely need to be enhanced through training. Ratings that reveal high importance and low proficiency of job skills indicate this very real need. By training, however,

we are not referring to quick-fix "smile training" or telling service people to say, "Have a nice day." We're talking about training that will enhance awareness of key job skills and truly build those skills.

Finally, our list of customer-service job dimensions can and should serve as the basis of an integrated human resource system. Many of the dimensions, for example, can serve as criteria in a well-designed selection system for customer-service personnel. Similarly, dimensions can be incorporated into an appraisal and performance-evaluation system. They can also serve as the basis of a powerful needs-analysis process for service personnel, enabling organizations to focus their valued training dollars and time.

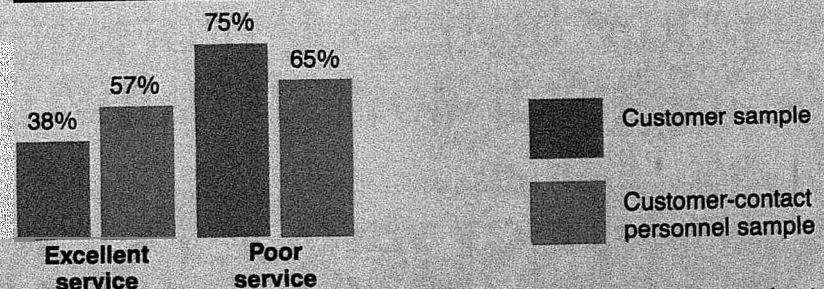
Companies can no longer afford a casual approach to the selection, training, and development of customer-service personnel. Organizations must recognize the importance of those people, often their most visible and valuable employees. To survive the coming employment crunch and to meet the expectations of every Jane Miller, organizations must equip their service people with the skills they need—nothing less is at stake than organizational success.

**Figure 3—Effects of good service**



Respondents were asked what effect good service has on people's decisions to continue business relationships.

**Figure 4—Word-of-mouth frequency**



Respondents were asked how often customers tell friends and colleagues about good and bad service.