SERVICE QUALITY:
Understanding Customer Perception and Reaction, and Its Impact on Business

Nelson Oly Ndubisi*

This paper is an attempt to explain the processes and outcomes of customer services levels and how they shape customer perceptions (of their relationship with services providers) and reactions. As an entirely conceptual work, this paper proposes a model for understanding the pathway and the end of good and bad customer service. Implications of the study on theory and practice are discussed.

Keywords: commensalism; customer perception and reaction; mutualism; parasitism; service quality; symbiosis

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Introduction

Customer value is the heartbeat of modern marketing. Kotler (1991) opined that marketing is not the art of finding clever ways to dispose of what you make. Marketing is the art of creating genuine customer value. It is the art of helping your customer become better off. The marketer's watchwords are quality, service and value.

Gardner and Gardner (1976) explained the relationship of consumers, government, and business. In their triangular model, consumers give influence and money (to business) and influence and taxes (to government), business gives products and services (to consumers) and taxes (to government), while government gives protections and services (to consumers) and protections and regulations (to business). Gardner's framework assumes a non-globalized, regulated scenario where protection and regulation is part and parcel of every economic system. However, under globalization and deregulation some elements such as protections and regulations are discouraged. True globalization and deregulation offer a somewhat 'free for all' competition (as protection and regulation is absent). Disappearing national boundaries as customers travel across borders to buy wherever the best products and/or prices are found, and increasing agreement among customers across the globe about how to evaluate products and services and recognition of which brands are the best (Johansson, 2003), compel domestic companies to defend their turf in every possible way except reliance on government protections. Aided by global communications and the Internet, consumers have increasing access to domestic, regional, and global market information to help in making objective and sound consumer choices. Who then wins the heart and wealth of the consumer is the firm that competes now through quality, service, and value, not through sympathy, immaturity, or ancestry.

In an ideal firm-customer interaction, the latter give ideas, skills, money, etc. while the former provides need satisfying goods and services (not just goods and services) and social responsibilities. As consumers furnish business with ideas (about needs and wants), skills (human effort—physical and/or mental), and money (price of goods and services), they expect business to reciprocate with goods and services that are able to solve consumer needs, and to live up to its responsibilities as dictated by society's needs. It is generally believed that any failure or obstruction to this free flow of acceptable standard or quality of consideration may lead to dissatisfaction.

Customers blame a company when served poorly and rather than complain directly to the company, they typically patronize another. Companies which recognize this fact, and recognize also that a number of factors contribute to customers frustration even when managers and employees want to serve, must make concerted, capable, and collective efforts for the organizations to deliver value to customers. Serving customers reflects the basic reality of interdependence as shown earlier. The need for a mutually beneficial relationship between consumers and business cannot be overemphasized. Each has meaningful influence over the other. The purpose of this paper therefore is to show how success or failure on the part of the firm to hold its end of the bargain affects the service provider-consumer interaction, and the firm's position. It is well documented [see for instance, Baker and Crompton (2000); and Zeithaml and Bitner (2000)] that service quality has a direct
effect on organization's profits, since it is positively related with customer retention and with customer loyalty. The process involved in this movement from good/poor service quality to business success/failure is the mainstay of the current effort.

Customer Value Pays

The relationship between firms and customers has been the concern of many scholars for a long time. Many writers believe that service fosters relationships, and we respond warmly to stories of everyday caring. From the flight attendant trying to help an unaccompanied minor who is on transit, employee of a (fully-booked) hotel searching the city to locate a room for a backpacker who could not be accommodated, a receptionist passing on customers complaint to appropriate quarters, a cobbler who mends bad soles and shines shoes, a sales person changing a defective item for a customer, to a marketing professor who patiently guides his/her students through a research project. No wonder, good service is often attributed to good heartedness of its provider and bad service blamed on callousness and cynicism.

Tjosvold (1993b) wrote that effective service requires team effort throughout the organization and reaching out to customers [see also Tjosvold (1993a) for empirical evidence from diverse organizations on cooperation and competition in serving]. In other words, it enjoins the consumer as the focal point of the marketing system. Customer service from its global viewpoint is the overall pre-sales and after-sales activities involved in making goods and services available to the user in order to satisfy his needs and wants. It includes: (1) customer service prior to sales, for example, identifying the goods and/or services available, alerting the customer to new products, providing information on products form, fit, function, applicability, and price, etc.; (2) customer service after sales, for example, delivering and/or installing the product, managing the warranty process and period, providing maintenance and repair (i.e. corrective action), providing related services or goods (e.g. parts, software, consultation, training, etc.), reporting complaints and issues related to the sale and/or delivery, etc. When an organization performs these functions to customers' expectations, the organization is seen as a customer value provider.

Many theorists argue that the fundamental basis for marketing is to create customer value (Kotler 1972). However, perceived value is highly personal and may vary widely from one customer to another (Holbrook 1994), which variations form the basis of segmentation. This disparity is even more challenging and critical under globalization. A crucial issue from a marketing standpoint is whether or not customers notice differences in quality between competing marketers. The inseparability of production and consumption, which requires the participation of the consumer in the service production process—a fundamental characteristic long acknowledged in extant literature on services (Bateson 1977) suggests an affirmative response to the above question. This ability to distinguish between service quality levels, differentiate between expected service and actualized service, mandates service providers to continue 'giving promises and keeping promises.' Gale (1994) puts it concisely this way, "value is simply quality, however, the customer defines it, offered at the right price."

Many business writers agree that value for customer ideology is highly rewarding. In the excellent companies study
carried out by Peters and Waterman (1982) in the USA, it is found that each of these companies among other things insisted on quality and fawned on their customers. Kotler (1991) wrote that successful companies boasted a keen understanding of its customers, strongly defined markets and ability to motivate its employees to produce high quality and value for its customers. Other scholars have presented their views of the attitudes and strategies that make companies great in books such as “The Customer is Key,” “Service America,” “The Winning Performance,” etc. Although they suggested many factors that make a business successful, all emphasized the central importance of dedicating the business to sensing, and serving customers satisfactorily.

According to some, the shift to quality focus is essential to the competitive survival of service businesses, just as it has become essential in manufacturing (Heskett et al. 1994; Schlesinger and Heskott 1991). Crosby (1991) asserted that the worldwide quality movement that has swept the manufacturing sector over the last decade is beginning to take shape in the service sector. Improving quality in the eyes of the customer pays off for the companies that provide it. Data from the Profit Impact of Market Strategy (PIMS) show that a perceived quality advantage leads to higher profits (Buzzell and Gale 1987). There is therefore, no gainsaying that it pays to be customer value driven.

**Poor Customer Service**

Contrary to the universal truth elaborated above on the benefits of customer value creation, not all business in practical terms recognizes this fact in their dealings with customers. Today, some business still views consumers as insatiable bunch that neither appreciate any effort to please them, nor seize to complain about the minutest or negligible service oversight. Many others still live in the depleted and overthrown era of product, production, and selling concepts (see Armstrong and Kotler 2003 for a review). Whether in the marketing of service firms or service organizations or manufacturing firms, the story is very similar.

Have you ever stood in a checkout line with fifteen other people and wondering, “are they ever going to open another counter?” The experience of Jerry Wilson may give you an idea of what customer service is in some organizations. Wilson (1991) was standing in just such a line in a hardware store once when an assistant passed by on her way to lunch. As he asked if the store was going to open up another counter, the response from the assistance was “I am on my way for lunch, you may wish to seek someone else’s assistance,” and off she went for her meal.

Have you ever been on an airline’s waiting list until five minutes to flight departure, only to get a ticket pushed up your sleeves from a number of last minute cancelled reservations, before you stagger into the aircraft that has to wait another hour or half to fill up more empty seats, only to get to your destination two to three hours behind schedule? Have you not heaved a sigh of relief and thanked God that at least you had a seat? If you are still in doubt what poor service is, the true-life story of Professor Aseyemo as reported by Komolafe (1980) may do. The professor intended to go on flight to Benin, a city in the mid-western part of Nigeria, but was inadvertently led to board a Jos (northern Nigeria) flight. As announcement preceding the flight take-off alerted him that he was in the wrong aircraft. His pleadings to go down did not worth the attention of the
pilot nor the cabin crew; hence he was taken to Jos against his personal wish and desire. By the time he was flown back to Lagos, he had not only missed his Benin appointment but also received a souvenir bag of insult to go with.

In Malaysia, CAP (1994) reported the case of Miss Kok:

"On 28 March 1988, I went to withdraw money at the ATM. I first checked the balance in my account and discovered that it was less than what it should be. The next day I went to the bank to update my book and there was a record of withdrawal of RM600, which I had not made. The bank said that it would look into the matter. I rang the bank after a few days and was told that I had withdrawn RM600 at 7.14am on 25 March. I didn't make any such withdrawal. Nobody else could have done it because the card was with me. No one knows my PIN. At the time of the supposed withdrawal, I was at home preparing breakfast. Finally on 6 June I received a very short reply, without any attached documents from the UMBC head office, telling me the time and date I made the transaction. I am very angry because I did not only lose my money. I was accused of withdrawing the money and yet making a complaint. I am angry at the bank's attitude and inefficiency in taking such long time to settle the problem."

In Singapore, a customer service representative from a major furniture store confessed that an elderly couple ordered a new sofa that collapsed the first time they sat on it. After the piece was repaired, it collapsed again, and this time around the store refused them further repairs.

By now, you may be tempted to think that poor service is peculiar to the developing nations. In the west, USA for example, consumers face similar predicaments when Peters and Waterman (1982) quoting Lew Young, Editor-in-Chief of Business Week, wrote that "probably the most important management fundamental that is being ignored today is staying close to the customer to satisfy his needs and anticipate his wants. In too many companies, the customer has become a bloody nuisance whose unpredictable behavior damages carefully made strategic plans, whose activities mess up computer operations, and who stubbornly insists that purchased products should work."

In so many companies, whenever you get good service, it is an exception. Time Magazine did an entire cover story in February, 1987 issue about how badly service has deteriorated in America. People expect to have something go wrong when they shop. Some have adopted a very extreme posture —the nothing works philosophy. One consumer supported this philosophy with some true stories. For instance he has been shorted a hamburger or an order of fries often enough at the nearest fast-food chain that he never drives away from the take-out window without conducting an audit of his food bags. He also narrates how a family in his neighborhood moved into a new house to find the normal little glitches and one pretty serious one-the plumber had connected the toilets to the hot water lines. There followed a wave of customer service books and articles lamenting the state of service in America and offering tips on how to fix it.

In Britain, reported Moemeka (1980), an uncle bought a property from an estate agent who failed to disclose the encumbrances on the property. Two weeks after making full payments, he realized that he had inherited a debt of £50,000 on the property.
The excerpts above adequately reflect the kind of situation that many consumers find themselves. Many services are below desirable, pre and/or after sales services are miserably poor, warranties are sometimes absent, even when it is part of a purchase agreement, they are not all the time honored by vendors, prices are rigged, and consumers exploited. For the consumer, the litany of woes is endless. Agbonika (1983) and Chinweizu (1985) presented consumer plight in true perspective. Uche (1980) summed up by saying that the consumer is treated like an orphan before his birth.

Yet this attitude understates the importance of good customer service for three main reasons:

- **Firstly**, it remains the only meaningful way of achieving customer satisfaction and loyal patronage.
- **Secondly**, it is the path to sustainable business success.
- **Thirdly**, it constitutes a natural check against active resistance (such as consumerism, boycott, and negative testimonials) and passive resistance (e.g. dumb testimonial, withdrawal of support).

**Strategies for Value Provision**

The great rewards of excellent service and serious implications of poor customer service have compelled researchers and practitioners to seek ways in and out. Garvin (1988) suggested five perspectives for defining and measuring service quality in the hope that businesses will find it helpful in trying to deliver value to customers. They include: the transcendent view, the product-based approach, user-based definitions, the manufacturing-based approach, and the value-based definitions. He concluded that success in achieving high quality service normally requires close coordination of activities of each function.

Zeithaml et al. (1990) from focus group research identified ten criteria used by consumers in evaluating service quality. In subsequent research, they found a higher degree of correlation between several of these variables and so concluded them into five broad dimensions: tangibles, reliability, responsiveness, assurance, and empathy. They further proposed a framework for identifying and correcting service quality shortfalls—the seven service quality gaps, which hoped to eliminate or at least to minimize customer dissatisfaction.

Blumberg (1991) recommended the following steps in order to achieve an optimum customer-service interface: (1) establish the service interface standards or procedures, behavior and appearance required, (2) provide a particular focus on service time targets; define how long customers should wait or how long service should take, for each of class or segment of customers served by each service person, (3) provide clear cut incentives and performance review steps, and (4) follow up and provide visible performance incentives for best service performance.

Good, insightful, and practicable as these and other recommendations are service failures continue to mount. Probably it is time that service providers are reminded about service implications. And shown how, poor or excellent service could lead to profitability or lack of it. Close examination of many of the strategies for improving service recommended in various literature reveal an implicit assumption that poor service quality emanates from ignorance or inadvertent service failures. Hence, the overemphasis on the ‘What’ and ‘How’ of customer value delivery. Unfortunately, such cases are only
a small proportion of total service failures recorded yearly. What is more common are cases of failure due to negligence, convenience, and/or cost savings, thus exposing the overdue need to divert attention to the ‘Why’ of effective customer value delivery. Being the only robust motivation for service firms to serve customers satisfactorily, an investigation of the ‘Why’ is critical for the following reasons: (1) it unveils the consequences of good and bad service delivery, (2) it shows how the actions of service providers fit into or out of the expected mutually beneficial relationship between service providers and consumers, (3) it explains how consumers perceive these actions, and their reaction to each set of actions, and (4) how consumers' responses or reactions affects profit and/or market share of the organization.

Alternative Strategy — The “Way”

In this era of global marketing, where marketing activities are coordinated and integrated across multiple country markets, standardized goods and services, uniform packaging, identical brand names, synchronized service introductions, borderless pre and after-sales services, etc. are becoming more and more common, marketers are going to face more challenges than they ever saw in the past. As long as world markets remain open and anti-globalization forces under control, there is no stopping the spread of global competition and its power to keep business on its toes. Market immunity constantly melts away, as even government procurement business stands open to foreign suppliers. In fact there is no secure market position without attention to customer satisfaction and constant improvement. These challenges call for business re-think and realign activities, products, and services to reflect healthy and mutually beneficial relationship (i.e. mutual symbiosis) with its home and global markets.

An alternative strategy will help firms understand the implications of good and bad customer value delivery, and the processes involved, and let the firms decide on whether or not to improve services. This strategy is borrowed from the biological theory of symbiosis. The term symbiosis means “living together” (Grier and Burk 1992). A symbiotic relation is a special form of communal life in which two organisms of different species live together in intimate, more or less lasting physical contact (Weisz 1969). According to Weisz, symbiosis occurs in two basic patterns: (1) faculty associations — where two different organisms “having the faculty” of entering a more or less intimate symbiotic relationship (but they need not necessarily do so, being able to survive as free-living forms), (2) obligatory associations — where one or both organism/s must unite symbiotically, if it/they is/are to survive. The service provider-consumer association is a form of an obligatory association. The ancestors of obligatory symbionts have invariably been free-living organisms that in the course of history have lost the power of living on their own (Weisz 1969). This reflects the era of subsistent economy — where individuals provided what they needed and supplied and consumed own services, which gave way to specialization that erased the power of independence at both micro and macro levels of national and global economies. Today, service suppliers and consumers are in an obligatory symbiosis each having no power to survive without the other.

Three types of symbiotic relationships has been identified in various biol-
ogy literature namely, parasitism, commensalism, and mutualism. Parasitism is a form of association in which one organism (the parasite) benefits from living on or in another living organism (the host), which is harmed but not be killed outright (Harris 1996). In parasitism, there is one-sided benefit. The second is commensalism, in which one organism (the commensally) benefits from associating with a host, which is neither helped nor harmed (Harris 1996), or where the benefit to one or the other is slight or not understood (Grier and Burk 1992), or one species benefits a second but the first gets no good in return (Hurst et al. 1997). Commensalism is also considered one-sided (Grier and Burk 1992) since it benefits only one of the associates fully and the other nothing or only slightly. The third and the fairest of the relationships is mutualism, which mutually benefits both associates. A two sided beneficial association, mutualism (term used by biologists) has become synonymous in every day speech with symbiosis. In other words, the two terms are used interchangeably in every day use, but biologists recognize the former as one of the elements of the latter. In this paper, the term “Symbiosis” is used as biologists do to include parasitism, commensalism, and mutualism. Interestingly, many authors (e.g. Harris 1996; Weisz 1969), has commented that symbiosis includes any close association of organisms belonging to different species (not necessarily animals). Hence, could be adapted in studying interactions between services suppliers and services consumers. The types of interactions explained above could be represented using symbols as shown in Table 1. The symbols +, - , and 0 indicate whether the individual associate is benefited, harmed, or unaffected by the interaction.

The pattern of symbiosis recommended here is mutualism. In mutualism, both associated partners (firm and customer) derive some benefits from living together. This is a superior and more acceptable symbiotic relationship than commensalism, which benefits one of the partners and the other is neither helped nor harmed by the association, or parasitism, which is of advantage to one (the parasite) and detrimental to the other (the host). Often, when there is poor service, one of the last two relationships is usually perceived by customers and none of them is healthy for the organization both in the short and in the long term. Where commensalism is the case, there is dearth of customer loyalty. This is because customers will be unwilling to repeat their purchases, instead they will be more likely to

Table 1. Symbiotic Interactions

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<th>Interaction</th>
<th>Effect</th>
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<tr>
<td>Parasitism</td>
<td>Firm + Customer</td>
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<tr>
<td>Commensalism</td>
<td>Firm + 0 Customer</td>
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<tr>
<td>Mutualism</td>
<td>Firm + + Customer</td>
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Adapted from Harris (1996): 336.
switch brands, or at best resort to dumb testimonial, a form of passive resistance in which the consumer exhibits mute indifference or cold complicity — neither talking about the product nor recommending it to others. The worst is the case with parasitism. Under this condition, customers either resort to negative testimonials, consumerism, boycott, or other forms of active resistance, which is able to send the marketer out of business if unchecked. In fact both commensalistic and parasitic (firm and customer) relationships are able to pronounce doom for any business, the only difference being the intensity and duration of the doom process.

Specifically, the model of symbiosis proposes that superb (i.e. satisfactory) service leads to perceived mutualism, then to active support (such as repeat purchase, loyalty, positive testimonial, new orders, etc.), and business success (measured in terms of profitability and/or increasing market share). On the flip side, poor service results in either perceived commensalism or parasitism. The former leads to passive resistance (such as dumb testimonial, withholding of purchases, etc.) and in turn to business failure (loss of profit and/or erosion of market share). The latter leads to either passive resistance as in the case of commensalism or to active resistance (such as negative testimonial, boycott, consumerism, etc.) and then to business failure. These relationships are schematized in Figure 1.

Research findings suggest that customer definitions of value may be highly personal and idiosyncratic (Lovelock 2001). In a single study by Zeithaml, four illustrations of value emerged: (1) value is low price, (2) value is whatever I want in a product, (3) value is the quality I get for the price I pay, and (4) value is what I get for what I give (Zeithaml 1988). Basing the definition of value in this paper on (3)

Figure 1. The Proposed Symbiotic Model for Assessing the Pathway and the End of Customer Service
or (4) above, and using the term ‘value earned’, which is the sum of all the perceived benefits minus all expenditure on the item, it is observable that the greater the positive difference between the two, the greater the value earned. If the expenditure on the item is greater than the perceived benefits, the service in question will possess negative value earned. Customers will probably describe such service as having good or poor value in either case and decide to purchase or not to purchase it respectively.

Similarly, employing the price-quality strategies (see Kotler and Armstrong 1999 for a review), the same phenomenon could be explained. Figure 2 shows the price and quality matrix. The company that decides to pursue premium pricing strategy — producing a high quality product and charging the highest price, or good-value strategy — high quality at a low price, or economy strategy — good quality product at a low price, will continue to enjoy market patronage and growth or boom (at differing rates of course), while the marketer that is adopting an overcharging strategy — overpricing a product in relation to its quality will eventually lose market patronage and face doom. According to Kotler and Armstrong, “in the long-run, however, customers will likely feel ‘taken’. They will stop buying the product and will complain to others about it” (Kotler and Armstrong 1999).

**Implication**

When businesses and their customer service personnels view their relationship with customers as a mutually beneficial association—a win-win kind of interaction, creation and delivery of value to customers will flow naturally and spontaneously from such organizations. Good customer service companies must learn from people they serve. They must provide unparalleled quality, service, value, and reliability—things that work and last, especially in this era of globalization, which is characterized by mounting competitive pressures.

How the service person appears and what he/she says or does at the point of sale
create the initial bond between the customer and the organization and establish the nature of subsequent relationship. It is therefore vitally important to define and recommend this interface and ensure, through training and incentives that this initial and continuing bond is spontaneously fostered. The prospecting as well as the complaints handling officer, as the first contact with potential or actual customer will initiate the perception process. It is therefore essential that the key ambassador of the organization ensure that service quality is measured with customers yardstick, show strong customer sensitivity and awareness, possess a good understanding of the dimensions of the service portfolio to be offered to the customer, deliver the customer interface service in a friendly, committed, and proactive manner, and provide the customer with an effective method for reporting on problems, new service needs or requirements, and new ideas.

This should be achieved through positive organizational accomplishment and fortification. Nothing could be more damaging to the organization-customer relationship than customer service personnel who are passive or insensitive to customer needs. Late delivery of services, failure to honor warranty, waiting in a queue for service (while the customer service personnel talk among themselves or ignore the service queue), waiting for a service organization to answer the phone, are instances of poor service that often generates a strong negative perception of service commitment or quality; even slow or inaccurate service, or inefficient delivery of any augmented aspect of a product indicates to the customer that the organization is uncaring and unsympathetic to customer needs.

Such attitude to service and actions must be avoided because of their potential to result in loss of profit and erosion of market share (as has been established earlier) and business collapse. When customers perceive poor service quality as an attempt by firm to exploit, self-serve (i.e. parasitism), or as being uncaring, selfish (commensalism), the natural instinct is to resist (actively or passively) such misdemeanour. Contrarily, when satisfactory service is provided, business is seen as caring, utilitarian, or even selfless (mutualism), which guarantees customers' support.

**Future Research**

The dimensions for assessing the processes and outcomes of customer service levels represented above need empirical validation. Future research should be directed at the relationship between service quality, perceived service provider-consumer relationship, customer reaction, and its impact on firm. The result will help to motivate business to serve customers satisfactorily if it wants to experience boom and to warn same of possible doom if it continues to provide unsatisfactory service. Consumer research should to be carried out to ascertain empirically, how they perceive and interpret good and poor quality service delivery, and how they are likely to respond to such services.

Additional empirical studies should be conducted among firms-large, medium and small-scale, in various industries in both the developed and developing economies to establish the impact of dumb, negative, or positive testimonials, consumerism, boycott, etc. on the profit and market share of firms.
Conclusion

In sum, the current paper introduces the concepts of parasitism, commensalism, and mutualism to explain how consumers perceive their interaction with service providers at differing levels of service quality, and suggests that the concept of ‘mutualistic symbiosis’ is the only healthy and lasting form of interaction between service providers and service consumers. The author argues that poor value-to-customer will lead to perceived commensalism or parasitism, which will lead to passive or active resistance, and in turn to business doom (through loss of profit and eroding market share), while superb customer service will lead to perceived mutualism, then to active support, and in turn business boom.

References


