

The Five Dimensions of Service Quality

The SERVQUAL Model

SERVQUAL, or the dimensions of service quality, is a model published by academics Parasuraman, Zeithaml and Berry. Their research uncovered five key dimensions by which customers typically determine service quality.

Reliability – The ability to perform the promised service dependably and accurately.

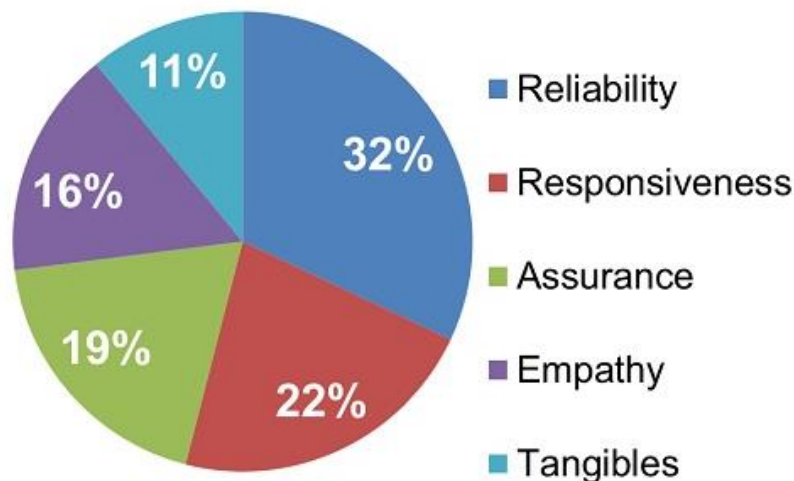
Responsiveness – A willingness to help customers and provide prompt service.

Assurance - Knowledge and courtesy of employees and their ability to convey trust and confidence.

Empathy – The caring, individualised attention the firm provides its customers.

Tangibles - Appearance of physical facilities, equipment, personnel, and communication materials.

Their research also discovered that, across sectors, customers typically prioritise certain dimensions over others – reliability is considered most important.



To ensure customer satisfaction, organisations should seek to maximise perception of reliability, responsiveness, assurance, empathy and tangibles associated with their service (and preferably in that order). However, it's important to recognise that **communications** functions like **marketing** or **customer service teams** cannot solve the root cause of customer dissatisfaction alone. Meaningful improvements to customer service and customer experience require an **organisation-wide assessment** of service delivery.

Satisfied customers are loyal customers, and loyal customers are good for business

- Customer satisfaction is a strong indicator for repeat purchase - a 'totally satisfied customer' contributes 2.6 times more revenue than a 'somewhat satisfied customer' and 14 times more revenue than a 'somewhat dissatisfied customer'¹
- It costs 6-7 times more to acquire a new customer than retain an existing one²
- A 2% increase in customer retention has the same effect as decreasing costs by 10%³
- Price is not the main reason for customer churn; it is actually poor quality of customer service⁴
- A dissatisfied customer will tell up to 15 people about their experience. Over 10% of dissatisfied customers tell more than 20 people⁵
- It takes 12 positive experiences to make up for one unresolved negative experience⁶
- Happy customers tell around 4-6 people about their experience⁷
- *Imagine how many people you can tell about a negative experience if you take to social media!*

¹ InfoQuest - <http://infoquestcrm.co.uk/about/case-studies-2/>

² Bain & Company

³ Leading on the Edge of Chaos, Emmet Murphy & Mark Murphy

⁴ Accenture global customer satisfaction report 2008

⁵ White House Office of Consumer Affairs

⁶ "Understanding Customers" by Ruby Newell-Legner

⁷ White House Office of Consumer Affairs