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# Creating value through quality service<sup>☆</sup>

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## CREATING VALUE THROUGH QUALITY SERVICE

A truck driver entered a Mayo Clinic emergency room, severely short of breath. The diagnosis was a bacterial infection requiring immediate surgery. The patient indicated that her truck was illegally parked at the front entrance and her dog, also sick, was in the truck. Surgery would have to wait. But surgery could not wait, and a nurse volunteered to move the truck and attend to the dog. The truck turned out to be a semi. Finding a parking place, a licensed driver, and dog care fell far outside the nurse's job description. But promises had been made. The nurse found a Mayo employee who was a former trucker to park the truck in a local shopping center parking lot (with permission). He took the dog to a veterinarian and cared for it in his own home until the patient was discharged. When asked in an interview why he went so far outside the normal service role, the nurse replied, "At Mayo Clinic, the patient's needs come first."

This true story, one of many exemplary service stories found in Mayo Clinic's nearly 160-year history, illustrates the true potential of service: creating a customer experience so valuable and exceptional that the customer feels gratitude *afterward*. This is the acid test for every organization: how do customers perceive the organization *following* the service?

Quality service creates value, i.e., the benefits customers receive from the service for the price and non-price burdens they endure. Companies need to compete on value, not just price. Price is part of value but not its equivalent. Many firms fall into the trap of offering low prices but also low value because their customers endure high non-price burdens, such as inconvenient locations, unhelpful employees, or 45-min waits for the call center (which may be in a foreign

country staffed by representatives with limited authority to solve customer problems). As the first author has written:

Excellent organizations compete on value, not price . . . . These organizations invest in continuous strategic (what) innovation to increase benefits and continuous operational (how) innovation to decrease burdens. They view quality service as foundational to sustainable success because it enhances benefits and reduces burdens. From Enterprise Rent-A-Car (We'll pick you up) to The Container Store (We'll save you time and space), excellent organizations always give customers non-price reasons to be customers.

The customer's trust (confidence) is a service firm's most precious asset. Services are primarily intangible offerings that customers buy before experiencing them. In effect, service customers buy a promise of performance. Providing an excellent performance strengthens customers' trust in the firm; falling short erodes it. Trust is essential in creating durable business-customer relationships. Companies that keep their promises and consistently deliver excellent service establish a trust-worthy brand. Strong relationships are a brand's link to tomorrow.

In this article, we discuss key concepts in delivering high-quality service. The concepts we have selected to discuss (from an array of possible topics) stem from our years of research in services marketing and service quality. These concepts are essential in creating a strong service organization brand, the subject we turn to first.

## BUILDING A STRONG SERVICE BRAND

Persuasive communications from advertising, a field sales force, and other sources can play a critical role in creating brand awareness and motivating customer trial. However, these company-controlled communications do not build brands. They may open the door to customer use of the service and they may guide the customer in how to think

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about the service, but what the company says about the service is outweighed by service performance. The customer's experience using the service primarily influences the customer's dominant impression of the brand. If the customer's actual service experience conflicts with the firm's controlled messages, the customer's experience will likely prevail. In essence, customers' experiences while using a service are disproportionately influential in strengthening or weakening a company's brand. A disappointing service experience can close the door that clever advertising opened. Indeed, a common marketing mistake companies make is to advertise a low-quality service. The advertising creates trial, the trial creates customer disappointment, the disappointment damages the customer's perception of the brand.

Fig. 1, adapted from the article, "Cultivating Service Brand Equity," illustrates these dynamics. The *presented brand* refers to company-controlled communications which primarily influence *brand awareness*. (Bold-line arrows indicate primary influence and dotted-line arrows, secondary influence). The presented brand also can influence brand meaning, especially for prospective customers who have not personally used the service and thus are unable to rely on direct experience.

*External brand communication* refers to non-controlled communications about the brand, primarily publicity, word-of-mouth communications, and online commentary. Companies try to influence these communications but they cannot control them. Customers are most likely to seek external brand communications about services that they are considering but have not experienced, and that are expensive or otherwise consequential, complex, and vary in quality from one provider to the next. A major development for a company, such as a widely-publicized scandal, can change the dotted-line arrows to bold-line arrows in terms of brand impact. Wells Fargo Bank, which created more than two million fake deposit and credit card accounts, among other misdeeds, and became a major long-term news story, vividly illustrates how the dotted-lines in the model can change to bold. According to a 2017 article in *Fortune* magazine, Wells Fargo suffered the largest drop ever measured in the annual Harris Poll survey of major company reputations among the general public.

The customer's cumulative experience of interacting with a company and using its services has a bold-line impact on

both *brand meaning* (the customer's top-of-mind image or impression of the company) and the word-of-mouth (and "word-of-mouse") components of external brand communications. Nothing has more impact than the customer's personal experience with the service.

Brand awareness and brand meaning both influence *brand equity* but in different ways. Dartmouth University marketing professor Kevin Keller conceptualizes brand equity as the level of marketing advantage (positive equity) or disadvantage (negative equity) compared to a fictitiously named or unnamed competitor. Brand awareness can jumpstart brand equity to a certain level until customers experience the service first-hand, which strongly influences brand meaning for them. Hence, the bold-line arrow from brand meaning to brand equity.

Although customer experience also is salient in a manufactured goods branding model, the source of the experience can be quite different, i.e., using a manufactured product versus interacting with people performing a service. As one chain restaurant CEO noted in a speech: "It is easy to create advertising. What is difficult is getting 200,000 employees to create the right experience." The net effect of the service branding model is that for labor-intensive, interactive services, the most important "marketers" are the frontline service providers. They have the greatest influence on the brand because they create, for better or worse, the customer experience. A service firm's marketing department must not only attend to advertising, promotion, and other traditional marketing roles, but also it must help facilitate the delivery of excellent service.

### HIRE FOR VALUES, BE AN EMPLOYER OF CHOICE

The retail store, hair salon, commercial airplane, and executive education classroom are "service factories" where a service is performed and received. Customers usually do not visit factories where goods are produced, but they do visit facilities where services are performed and they interact with the workers. For labor-intensive, interactive services, the quality of the service typically is indistinguishable from the quality of the provider's performance. Effective employees strengthen a service organization's brand.

Service excellence starts inside. The first rule of execution in a labor-intensive service organization is recruiting and hiring people who can and will perform the service excellently. As well-known restaurateur Danny Meyer wrote in his book, *Setting the Table*, "In restaurants . . . you stand a much better chance of ending up with the most customers when you first have the best employees." The best employees embrace serving others with grace, kindness, caring, determination, and integrity. High-performance firms strive to hire capable people who want to serve, who want to excel, and who are resilient and emotionally strong when encountering the rigors, fatigue, repetitiveness—and rude customers—common in service work. Companies need to hire the person, not the resume; assessing a candidate's core values is the starting point.

Hiring for values is a two-part process. First, identify the right people, then attract them to the organization. Given the high-stakes reality that frontline service providers repre-

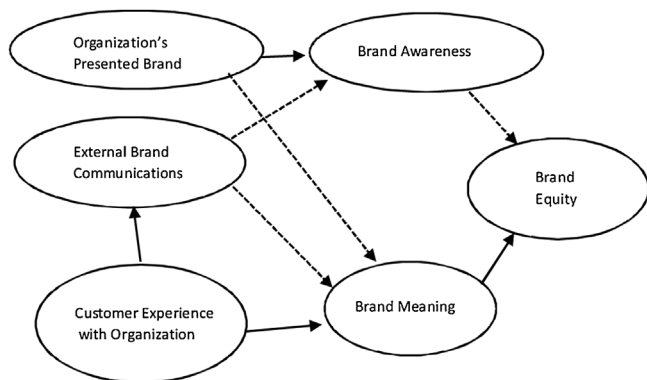


Figure 1 How customer experience impacts brand equity

sent the firm's brand, excellent service organizations practice highly selective recruiting. They invest in making good hiring decisions and commonly use psychometric, personality, and/or aptitude tests to find candidates who "fit" the position. They also often use behavioral interviewing to gauge the degree of alignment between the candidate's and the company's core values. Behavioral interview questions are unpredictable, open-ended questions meant to reveal the real person versus the rehearsed job candidate. For example:

"What frustrates you at work? How do you deal with it?"  
"What was the most useful work criticism you've received? Who was it from?"  
"Think about a time you went home from work and were thinking 'I love my job.' What happened that day?"  
"If I were to come over to where you live, what would it tell me about you?"

To attract the best employees, become an "employer of choice." Richard Sennett writes about "good work" in his book, *The Craftsman*. High-performance service companies attract and retain excellent employees by offering them "good work" in an uplifting, purpose-driven, generous work environment. "Good work" is stimulating, developmental, team-based, personally meaningful, and value-creating. "Good work" is good for the soul, not just the checkbook. Many employment candidates, including younger people searching for their first "career" job, are deeply committed to doing work that makes a difference, work that matters.

Employer generosity is a critical factor in attracting and retaining excellent employees and eliciting their best efforts. All jobs are characterized by "discretionary effort," i.e., the difference between the effort one gives to the job and the effort necessary to avoid negative consequences, such as receiving criticism from co-workers or being demoted or fired. In effect, employee effort above this minimum level is voluntary. Employer generosity inspires employees' extra effort. An important difference between mediocre service firms and excellent ones is that the latter motivates more "volunteerism" from their employees. Excellent employers view generosity as an input to organizational success.

Admired service companies, not coincidentally, are known for their generous wages and benefits. Costco pays hourly workers more than \$20 an hour on average—far exceeding the wages paid by a primary competitor. Whereas Costco's labor rates are far higher than their competitor's, its labor costs (wage and salary expenses as a percentage of sales) are lower due to employees' higher productivity (sales per employee). Costco Chief Financial Officer Richard Galanti was quoted in a *Wall Street Journal* article as saying: "From day one, we've run the company with the philosophy that if we pay better than average, provide a salary people can live on, have a positive environment and good benefits, we'll be able to hire better people, and they'll stay longer, and be more efficient."

In 2017, *Fortune* magazine rated the company Salesforce as the best place to work for based on giving back. One employee said:

"This is an extraordinary special place that really cares about its employees, customers, and community. We are

strongly encouraged to give back. I have done everything from volunteering in a soup kitchen, to working at a children's hospital in Morocco—all supported by the company. Most importantly, I look forward to coming to work every day, working with our wonderful community and doing satisfying, challenging work."

In many service companies, part-time employees outnumber full-time employees. An underappreciated opportunity is insuring that "good work" is available to all employees. The Container Store, twice ranked first in *Fortune's* annual "100 Best Companies to Work for" list, calls its part-time employees "Prime-Timers," signaling their importance to the company's success. Starbucks was one of the first major companies in America to offer both full- and part-time frontline service employees stock options (called "Bean Stock"). More recently, Starbucks entered into a partnership with Arizona State University to cover tuition costs for qualifying employees who want to complete college degrees online.

From basic kindness and respectful treatment, to above-market pay and benefits, to investing in employees' development, to giving back to the community, employer generosity attracts, retains, and inspires service providers. And inspired service providers are more likely to expend the extra effort that characterizes exceptional service. Generous companies are far more likely to have service providers that serve well than selfish companies.

## PREPARE SERVICE PROVIDERS FOR SUCCESS

Hiring top employees is a first step, but preparing them to become and remain effective service providers is an essential ongoing investment. Preparation for the service role strengthens self-confidence, which heightens motivation. Service providers who seem unmotivated to help customers may actually not know how to help them. Feeling well-prepared to serve is part of "good work."

Preparing service employees must be ongoing, include everyone, go beyond skills training, and incorporate multiple learning approaches. Managers make a mistake when they put new employees through new-hire training and consider them "trained." Learning is a journey, not an event. Personal development not only is important to be current in job-specific capabilities, but also it can be an important source of self-esteem. Learning can be joyful, rejuvenating, a tonic. As the first author wrote in the book, *On Great Service*:

Learning is an unending road with many stops to refresh skills that have grown stale; to learn new skills required by changing customer expectations, strategies, structures, and technologies; to reinforce knowledge about the service role, company, customer, and business environment; to add new knowledge, awareness and insight; to renew the spirit of serving, to keep the flame lit, to keep the energy high.

High-performance service organizations include all employees in ongoing skill (training) and knowledge (education) development because of its energy-revitalizing benefits and because every employee has a "customer" to serve, either inside or outside the organization.

Adults learn in multiple ways, including listening, reading, participatory observing, and practicing. A portfolio approach to building a learning curriculum might include service simulations (e.g., viewing video scenarios of angry or rude customers and engaging in a group discussion of how to respond); “mystery shopping” of other service providers and analyzing the good and bad service they experienced; and sales role-plays to prepare for meetings involving complex business-to-business services. The curriculum might also include job-relevant reading through company-sponsored book clubs or “article of the week” distributions; manager courses covering topics such as interpersonal communication, team-building, and emotional intelligence; outside speakers and internal “TED Talk” sessions featuring a company’s own employees; and “off-stage” practice sessions for front-line-providers (e.g., role-playing challenging service encounters). Like musicians and athletes, service providers benefit from practice.

One of the most important opportunities in preparing service providers for success is promoting the right people into middle management. Staffing middle management positions with people who are skillful at coaching and who lead by personal example is too often a missed opportunity to improve service provider preparation in medium-sized to large organizations. Strong service values and coaching skills should be mission-critical qualities considered in internal promotion decisions.

Preparing servers to serve is an investment in service excellence; it must also be a commitment. When Integris Cancer Institute, based in Oklahoma City, opened in 2009, it committed to extensive training and education for all staff, with particular emphasis on promoting teamwork across departments and in helping staff understand the emotional upheaval that cancer patients and their families experience. As Integris grew, it began to “let some things slip” in the words of a senior executive during an interview. In 2016, Integris recommitted to “getting back to our basic roots” and invested in a new comprehensive training and education program focusing on courtesy, empathetic communications, and exceeding patient and family expectations. During a two-year period following the inception of the new learning program, patient satisfaction scores rose from the 75th percentile in a national patient satisfaction database to the 99th percentile.

## MEET, EXCEED CUSTOMER EXPECTATIONS

The customer’s trust is a service company’s most precious asset. An unreliable service undermines the customer’s trust. The first author partnered with A. Parasuraman, and Valarie Zeithaml to conduct extensive research on the attributes by which customers judge service quality. We found that, by and large, they fit into one of five broad dimensions. These dimensions are not mutually exclusive but offer a useful framework for understanding customers’ service expectations:

*Reliability*: the ability to perform the promised service dependably and accurately.

*Tangibles*: the appearance of physical facilities, equipment, personnel, and communication materials.

*Responsiveness*: the willingness to help customers and provide prompt service.

*Assurance*: the knowledge and courtesy of employees and their ability to convey trust and confidence.

*Empathy*: the caring, individualized attention provided to customers.

Reliability consistently ranked as the most important dimension of the five in these studies. An unreliable service is a broken promise; the other dimensions do not compensate for a service that does not deliver what the customer expected to receive. Broken service promises diminish benefits and increase burdens for the customer.

Service reliability needs to be a cornerstone of the organization’s culture. It needs to be measured, reported internally, and emphasized by management in their words and resource allocation decisions. For example, the company might offer a service guarantee in which customers receive remuneration when failures occur. Management might form reliability teams that identify root causes of recurrent service failures and recommend solutions. Whereas some managers accept mistakes as an inevitable result of labor-intensive service production, other managers vigorously pursue improvement. Some managers view a 94% reliability rate favorably, other managers see an unacceptable 6% error rate. Service reliability is, in part, a function of managerial attitudes that influence behavior (i.e., culture).

Reliability also is a design issue. Conscientious, well-prepared service providers require a well-designed service system to work within, one supported by reliable, easy-to-use technology and without unnecessary complexity. Four questions to consider in developing a new service or in improving the reliability of an existing service were proposed in *On Great Service*:

- 1 Can the service be simplified without compromising its value to customers?
- 2 What can be done to assist customers in using the service correctly?
- 3 What processes in the service system are most prone to failure, and what can be done to prevent these failures?
- 4 What capabilities—skills and knowledge—do service providers need to perform the service accurately and dependably?

Improving reliability requires deep understanding of how the service works.

One way to accomplish this is to devise a detailed step-by-step “map” of the service. Mapping teams (ideally including customers) create a precise picture of the service process as a basis for asking: “Is there a better way?” Transforming the intangible service process into a tangible map of its discrete steps facilitates consideration of the four questions above.

Another potent reliability tool for service providers is checklists. Airline pilots have long used checklists as an essential “reminder” list of all steps required for safe take-offs and landings. Checklists can be used in other types of services and are increasingly being used in healthcare. A group of surgeons implemented a 19-item surgical safety checklist in a study they conducted in eight hospitals in eight cities in different countries. Publishing their results in a 2009 *New England Journal of Medicine* article, they reported that



use of the checklists reduced the rates of both post-surgery complications and deaths at statistically significant levels.

## Recovering the Customer's Confidence

The importance of service reliability raises the stakes when a service failure occurs. How will the company respond? Will it make things right with the customer? Will it recover the customer's confidence in the service and the company delivering it? A single service failure is unlikely to completely destroy a loyal customer's confidence unless one or more of three conditions exist: the failure is egregious (the wedding photographer fails to show up); the failure fits a pattern (calling the cable company *always* means being put on hold in a long queue); and/or the "recovery" is poor, creating a double failure (the airline damages the musician's checked guitar and then stonewalls his repeated efforts for reimbursement to replace it). The latter service failure happened to musician Dave Carroll whose \$3500 Taylor guitar was broken by United Airlines baggage handlers. This led to a nine-month fruitless effort by Carroll to obtain compensation from United. Carroll posted a music video on YouTube in 2009 called "United Breaks Guitars." The video was viewed 5 million times within one month and 18.5 million times by the end of 2018. Finally, United agreed to compensate Carroll but the reputational damage had been done. United was needlessly humiliated by inept service recovery that led to a highly public "double failure." In the internet era, strengthening an organization's capabilities and cultural readiness to recover has never been more important.

Great service companies "run to the problem" as a bank executive once stated in an interview. They make it easy for customers to contact them, act fast and fairly, trust the customers' story unless there is contrary credible evidence, and keep customers informed during a prolonged recovery process. They also couple an apology for a service breakdown with an explanation (if possible) of how the failure occurred and what the company will do to improve.

The best approach to service recovery is not to have to do it at all by delivering the service properly in the first place. The service quality research previously cited consistently showed that firms received the best service ratings from customers reporting no recent problems, the next best ratings from customers reporting satisfactorily resolved problems, and the worst ratings from customers reporting an unsatisfactory resolution to a service failure. FedEx invests heavily in preventing potential service failures. The company flies selected planes each night that are prepared to divert to other airports for pickups necessitated by airplane mechanical issues or volume overloads. The service failures that could have been do not occur because their system design prevents them.

## Exceeding Expectations through Pleasant Surprise

Reliability is an *outcome* dimension of service quality in that it is judged following a service experience. The other four dimensions—tangibles, responsiveness, assurance, and empathy—are *process* dimensions in that customers begin to assess them during the service process. The outcome and

process dimensions play different roles in influencing customers' perceptions of service quality. The former is most important in *meeting* customers' expectations; the latter (especially responsiveness, assurance, and empathy—the human-interaction dimensions) are most important in *exceeding* customer expectations. Exceeding expectations requires the element of pleasant surprise and the best opportunity for that is when service providers interact with customers and exhibit unusual kindness, caring, and/or extra effort.

Reliability, as important as it is, isn't typically enough for an organization to clearly distinguish itself by the quality of its service. After all, companies are supposed to be competent, they are supposed to keep their promises, they are supposed to know how to perform the service correctly. Thus, reliability does not create the surprise that can spark positive customer feelings, such as joy and gratitude, that can strongly influence brand meaning and equity. Customers commonly remember extremely poor and extremely positive service experiences. In Dr. Rana Awdish's riveting book, *In Shock*, she describes being a seriously ill patient in her own hospital. One of her many stories concerns the radiology staff's response to her husband's fatigue: "Seeing him sleeping at my bedside each morning of what was a very long [intensive care unit] stay, they would gently cover him in a leaded apron when they shot my X-ray, rather than disrupt his sleep. The silent awareness of his needs was so simple, and yet meant everything to us. It meant his suffering was seen." Excellent service organizations "major in minors." They do the little things well, not just the big things. Pleasantly surprising the customer often is something "little" to the service provider and "big" to the customer. Little kindnesses in a life full of technology, hurry, and depersonalized service interactions can go a long way.

## MAKE RESPECT NON-NEGOTIABLE

Consider the missions of these high-performance service companies:

- "Make stylish furniture affordable." IKEA
- "Transform how people enjoy technology." Apple
- "Organize the world's information and make it accessible and useful." Google
- "Bettering people's lives by saving them time and space." The Container Store
- "Build trust in society and solve important problems." PwC
- "Make flying possible for many people." Southwest Airlines
- "We help people see better." Lens Crafters
- "Reconnect people with nature." REI

What these missions have in common is respect for the customer. The finest service companies make life better for people, their service extends beyond financial enrichment, and they create "social profit."

Respect, a fundamental value underlying healthy human relationships, is a crucial pillar in creating and sustaining trust-based relationships with customers, employees, suppliers, communities, and other stakeholders in service organizations. Embedding respect and dignity into the

organization’s values and culture is essential to building a strong brand. Respectfulness is universally present in high-quality service. A disrespectful service is a poor service and destroys trust. Table 1, from the first author’s book *Discovering the Soul of Service*, presents a list of customers’ most prevalent frustrations over inadequate service. Based on extensive academic research, the list is worded in familiar language. What is striking about this list is that every category is linked to disrespect. From cheating customers (“True Lies”) to ignoring them (“Misplaced Priorities”) to each of the other eight categories, disrespect is a pervasive presence in poor service.

Respect is a broader concept than pleasant surprise discussed in the prior section. For example, respecting customers’ time with rapid checkout at the store is unlikely to create pleasant surprise unless the store has a well-earned reputation for slow checkout. However, an unexpected and meaningful display of respect can create the pleasant surprise that exceeds expectations. Consider this story from a 14-year-old girl we’ll call Susan who had a brain tumor. She was in her hospital room a few hours before surgery and observed:

When Ava my nurse came by before surgery she looked me in the eye and said, ‘Susan, I am going to braid your hair back so that we only shave what we need.’ What Ava did shaped how I viewed myself every time I glanced in the mirror during recovery and when I walked into school surrounded by normal girls. Ava probably doesn’t remember braiding my hair, but that moment has stuck with me for the last six years.

Now a healthy 21-year-old, Susan wrote these words for a college assignment. Braiding Susan’s hair was not in Ava’s job description, but she did it and it made life better for Susan then and it created an indelible memory. Compassion and respect are a potent combination for creating meaningful, memorable service experiences.

Respectful service conveys esteem to both the customer and the provider. It embeds dignity into the service experience for all who are party to it. The well-known core value

statement for which Ritz-Carlton Hotels has long been known—“We are ladies and gentlemen serving ladies and gentlemen”—elevates the act of serving and creates a tone of mutual respect. We propose that respectful service honors customers’

- Presence—by responding to it;
- Voice—by listening to it;
- Time—by not wasting it;
- Privacy—by not invading it needlessly; and
- Self-esteem—by not undermining it.

These same elements also apply to respectful treatment of employees.

A culture of respect is built on management’s insistence of respectful behavior by all parties at all times. Employees who are expected to be respectful to customers must experience respectful treatment themselves—from the organization, from fellow employees, and from the customers they serve. Respect needs to be non-negotiable. Disrespectful behavior, when it occurs, needs to be dealt with by the appropriate manager swiftly and firmly.

“Respect—we listen and learn from each other” (REI); “We are dedicated to the dignity, value, and employment security of our associates” (Publix Super Markets); “We respect and listen to our people” (Wegmans). These statements are core values of the top three companies in a 2016 *Harvard Business Review* article titled “The Brands That Make Customers Feel Respected.” Offering employees “good work,” as discussed earlier, cultivates a respectful workplace. A Harvard case study on online shoe retailer Zappos includes this comment by an executive in reference to distribution center employees:

I get calls all the time from efficiency consultants who say they can save me 20% if I use pay-for-performance, then they come in and say, ‘Your people seem to work as fast as they can. You must have a pay-for-performance system already,’ but we don’t. Our workers work hard because we create an environment where they want to do well.

**Table 1** Common customer service complaints

True lies	Blatant dishonesty or unfairness, such as service providers selling unneeded services or purposely quoting fake, “low-ball” cost estimates.
Red alert	Providers who assume customers are stupid and dishonest, and treat them harshly or disrespectfully.
Broken promise	Service providers who do not show up as promised. Careless, mistake-prone service.
I just work here	Powerless employees who lack authority – or desire – to solve basic customer problems.
The big wait	Waiting in a line made long because some of the checkout lanes or service counters are closed.
A suffering in silence	Impersonal, emotionless, no eye-contact, going through the motions non-service.
Automatic pilot	Employees who do not bother to communicate with customers who are anxious to hear how a service problem will be resolved.
Do not ask	Employees unwilling to make any extra effort to help customers, or who seem put-out by requests for assistance.
Lights on, no one home	Clueless employees who do not know (i.e., will not take the time to learn) the answers to customers’ common questions.
Misplaced priorities	Employees who visit with each other or conduct personal business while the customer waits. Those who refuse to assist a customer because they are off duty or on a break.

Source: Berry (1999, p. 24)

We treat them with respect, treat them well, do extra for them, do whatever we can for them.

Language can be powerfully symbolic of an organization's values and culture. Insisting on the use of respectful language is an important step in creating a respectful workplace. Language is behavior and disrespectful language is disrespectful behavior. Quelch and Jocz wrote about managers in a quick-service restaurant chain referring to a price-and-promotion oriented market segment as "bottom-feeders." The authors raise this question: "What if our customers whom you are calling bottom-feeders knew that that's how the company where they spend their hard-earned money thinks of them?" Organizations should consider convening employee workshops in which participants are asked to identify "never words," that is, words or phrases that never should be used with or about customers and other stakeholders.

Companies could create a customer respect checklist, with specific behaviors regularly reinforced in employee huddles, meetings, and education sessions as well as codified in print. To illustrate, a checklist might include these behaviors, among others:

- Serving customers who desire assistance supersedes all other work roles.
- Verbal and body language should convey genuine interest in being of service. Phrases such as "I will be happy to do this" and body language such as direct eye contact and a sincere smile convey respect.
- Be your best to all customers regardless of their appearance, gender, age, race, or size of purchase.

Chris Zane, owner of the highly successful bicycle store, Zane's Cycles, tells a story in an article titled "Serving Unfair Customers" about a father picking up a repaired bicycle for his daughter. The daughter had approved the recommended replacement of both tires for \$40. Although the employee patiently explained that the daughter had approved the purchase and offered to verify it, the father yelled at the employee, stating "You're trying to rip me off." At this point, Zane intervened and told the customer to leave the store immediately. Zane then said to the employee—and others who gathered around—that he would not tolerate customers mistreating employees. "If I am willing to fire an employee for mistreating a customer (and I have), then I must also be willing to fire a customer for mistreating an employee," Zane explained. Chris Zane invested in strengthening his company's culture of respect that day.

## SAVE CUSTOMERS TIME AND EFFORT

The best service companies invest in saving customers time and effort, the essence of service convenience. The time pressures people face in modern life coupled with the powerful life-changing influence of the internet have dramatically changed the meaning of convenience. What used to be fast is now slow. Service convenience has become an essential component of a service company's competitiveness and many of today's most successful firms lead with a compelling convenience proposition.

Through its original DVD by mail service followed by its internet streaming service, Netflix, with more than 137 million global members by the end of 2018, made the bricks and mortar movie rental business obsolete. Netflix made the rental experience easy by eliminating trips and late fees. Google not only created a far more comprehensive "library" than had ever existed before but also a far quicker and easier one to use via online accessibility. Kaiser Permanente Northern California, one of America's most progressive health systems, offers its 3 million plus patients in that region more than 100 internet, mobile, and video communication services enabling patients to make appointments, see their health records, request medication refills, e-mail their doctor, and, when appropriate, access medical care online e.g., sending a dermatologist a photo of a skin condition and receiving a diagnosis and treatment advice. Anytime Fitness provides its members a key fob giving them 24/7 access to the location of their choice. The business model trades staffing for full-time access, relying on surveillance cameras, panic buttons, and automated defibrillators as needed. In 2018, the chain had grown to more than 4000 locations in 30 countries.

The test of customer convenience is this question: "Is it easy for customers to do business with us? Do we save them time and effort?" Convenience is multi-dimensional with five types of service convenience discussed in a *Journal of Marketing* article:

- 1 *Decision convenience*: Making it easier for customers to reach a consumption decision. Progressive Casualty Insurance posts its rates alongside its competitors' rates on its website, enabling convenient comparisons.
- 2 *Access convenience*: Making it easier for customers to receive the service. Enterprise Rent-A-Car, America's largest rental car firm, has rental offices within a 15-minute drive of 90% of the U.S. population. Its long-time marketing strategy of transporting customers to the rental office ("We'll pick you up") reinforces its convenience positioning.
- 3 *Transaction convenience*: Making it easier for customers to pay for the service. Spotify charges a flat fee to access unlimited streaming of music and song listens, a more convenient and cost efficient option than the traditional pay-per-song system.
- 4 *Benefit convenience*: Making it easier for customers to experience the benefits of what they buy. Houston-based Gallery Furniture delivers the furniture customers buy the same day customers make the purchase, differentiating itself from conventional furniture retailers that essentially operate furniture showrooms, delivering purchases days, weeks, or even months later.
- 5 *Post-purchase convenience*: Making it easier for customers to receive assistance or problem resolution following a transaction. Penske Truck Leasing monitors fault codes from technology installed in leased tractor-trailer vehicles on the road to intervene with a solution before a breakdown occurs.

Customers' time and effort "costs" are non-monetary burdens and thus part of the value equation. Increasing brand equity in contemporary times often necessitates decreasing customers' time and effort burdens.

**Table 2** Strategies to implement service excellence

Hire for values, be an “employer of choice”	<ul style="list-style-type: none"><li>• First, identify the right people with soft skills; who want to serve, who want to excel, and who are resilient and emotionally strong. By assessing the candidate’s core values, hire the person, not the resume.</li><li>• Second, attract and retain these best employees by being an “employer of choice”; be generous with above-market wages and benefits, invest in the employees’ development, treat your employees with kindness and respect, give back to the community.</li></ul>
Prepare service providers for success	<ul style="list-style-type: none"><li>• Do not consider your new employees as “trained” through new-hire training. Include all employees in ongoing skill and knowledge development.</li><li>• Promote the right people into middle management to coach service excellence and lead by personal example.</li></ul>
Meet, exceed customer expectations	<ul style="list-style-type: none"><li>• Reliability is the most important dimension of your service. Make service reliability a cornerstone of the organization’s culture.</li><li>• Use tools such as service maps and checklists to improve reliability.</li></ul>
Recover the customer’s confidence	<ul style="list-style-type: none"><li>• Recover the customer’s confidence by making things right with the customer when service performance falls short.</li><li>• Make it easy for customers to contact the company, act fast and fairly, trust the customers’ story unless there is contrary credible evidence, and keep customers informed during a prolonged recovery process.</li><li>• Always apologize for the service breakdown and give an explanation.</li><li>• Above all, invest heavily in preventing potential failures to provide service right the first time.</li></ul>
Exceed expectations through pleasant surprise	<ul style="list-style-type: none"><li>• Leverage the “process” dimensions – responsiveness, empathy, assurance, and tangibles – to exceed customer expectations.</li><li>• “Major in minors.” Do the little things well, not just the big things. Your “little” surprise can be “big” to the customer.</li></ul>
Make respect non-negotiable	<ul style="list-style-type: none"><li>• Respectfulness is universally present in high-quality service. Embed respect and dignity into the organization’s values and culture.</li><li>• Provide respectful service by honoring customers’ presence, voice, time, privacy, and self-esteem.</li><li>• Protect your employees from customer mistreatment.</li></ul>
Save customer’s time and effort	<ul style="list-style-type: none"><li>• Provide an easy, fast, and convenient service.</li><li>• Address all five convenience dimensions – decision, access, transaction, benefit, and post-purchase – for providing a truly convenient service.</li></ul>

## CONCLUSION

Serving others is a privilege. The best companies value their customers; they invest in service excellence by recruiting, selecting, supporting, rewarding, and retaining service-spirited employees. The best companies keep their service promises, leverage pleasant surprises, insist on respectful behavior, and invest in saving customers time and effort. The best companies build a trust-worthy service brand by embracing quality service. They not only create financial profit, but also social profit and contribute to the making of a better world.

Excellent service differentiates; it is the key to establishing a strong organizational brand. It is easy for managers to preach the importance of quality service but much harder to actually deliver it day after day, month after month. We summarize our main implementation points in [Table 2](#). Putting these ideas into practice requires inspired leadership (in the organization’s middle, not just at the top), diligence and resource commitment. It is often said that anything worth doing is worth doing right. Leading with superb service is worth doing right.





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