CONCEPTUALISING THE SERVICE EXCELLENCE AND ITS ANTECEDENTS: THE DEVELOPMENT OF STRUCTURAL EQUATION MODEL

Yuhanis Abdul Aziz
University Putra Malaysia, Selangor, Malaysia, email: anis@econ.upm.edu.my

Khairil Wahidin Awang
University Putra Malaysia, Selangor, Malaysia

Abstract
Increasing and maintaining service excellence in the tourism and hospitality industry are known to enhance the customers’ satisfaction which could bring more profits to the organizations. This paper focuses on the antecedents of service excellence, in particular the relationship with service characteristics, empowerment of employees, service excellence, and its impact on the selected outcomes. Using the existing literature, a proposed structural equation model with its associated hypotheses is developed to explain the relationship between service experience antecedents and its associated outcomes. Hence, the proposed model provides understanding on the inter-linkages among service excellence, its antecedents and the outcomes. It provides some clearer insights into the importance of managing customer service experience which can contribute to customer satisfaction as well as enhancing organization competitive advantage. Thus the empirical work is required to test various research propositions empirically. The Implications for the practitioners are also discussed.

Keywords: service excellence, empowerment, service quality, customer satisfaction

Abstrak

Kata kunci: service excellence, empowerment, service quality, customer satisfaction

126
1. Research Background

Organisations are increasingly providing service excellence in order to win the customers’ heart and stay competitive in the market. Service excellence forms an integral part of any superior service (Berry and Parasuraman, 1992). The giant service organisations such as Disneyworld and Marriott Corporation use service excellence as their theme for success. However, many businesses that are trying to offer service excellence are not so successful in making it happen especially to retain the customers in the organisation. Many of them are not very certain with the key factors that could influence the delivery of service excellence. In particular, there is very little evidence available with regards to the antecedents of service excellence from services marketing perspectives. Some of the previous researches on service excellence concentrated only on specific issues such as culture, empowerment and operating process (Kim and Kleiner, 1996). Rigorous empirical research in this area remains inadequate.

Suitable marketing strategy which involves relevant component is indeed very important in services. This is due to its role; to satisfy the needs and wants of the customers. Moreover, the current era i.e. customer’s orientation marketing is very concern with the customers’ needs and requirements. Likewise, the mediocre success of many service businesses suggests that there is still much to understand about service excellence especially in the area of hotel industry for example. Providing service excellence is not an easy task and not as straightforward as many organisation may think. It involves a combination of many elements from the design of service processes; the environment of the organisation; the participation as well as the performance of the employees.

There has been a growing concern in most of the service organisations that delighting customers is essential to maintain the competitiveness in the dynamic world nowadays. According to Brown et al. (1992), customer satisfaction is no longer constitutes the convincing factor for success, but customer delight is more relevant. Rather than just satisfying them, delighting appears to bring more advantages to the organisations. One of the key concerns could be related to the fact that satisfied customers may not last longer with the company because even though they are satisfied, they may defect at a high rate (Schneider and Bowen, 1999). Increasing and maintaining service excellence in the service industry are known to enhance customers’ satisfaction which brings more profit to the organisations. According to Cina (1990), there are five critical steps to be followed in order to achieve service excellence. The steps are, know the moments of truth; inventory the moment of truth; assess the importance/performance of each contact; establish service management discipline and implement your action plan. All of these require involvement of various components such as service process and delivery, service environment, employees’ role performance, and customers’ participation.

The finest organisations, by and large do not relinquish customer experience by accident. They “harness the power of their people, their culture, their management, their end-to-end processes, and their system to design and deliver the wow factor” (Millard, 2006). Effective service strategies are therefore vital to enable the organisation to enhance convenience and customer