Glossary

activity-based costing Costing method that breaks down the organization into a set of activities, and activities into tasks, which convert materials, labour and technology into outputs.

activity time The time required to perform one activity at one station.

adequate service The level of service quality a customer is willing to accept.

adverse conditions Positive and negative employee actions under stressful conditions.

after-sales surveys A type of satisfaction survey that addresses customer satisfaction while the service encounter is still fresh in the customer's mind.

ambient conditions The distinctive atmosphere of the service setting that includes lighting, air quality, noise and music.

anticipating Mitigating the worst effects of supply and demand fluctuations by planning for them.

apathetic customers Consumers who seek convenience over price and personal attention.

applications-on-tap Computer programs, such as word processing or web design, that can be rented via e-service providers.

approach/avoidance behaviours Consumer responses to the set of environmental stimuli that are characterized by a desire to stay or leave an establishment, explore/interact with the service environment or just ignore it, or feel satisfaction or disappointment with the service experience.

arousal–nonarousal The emotional state that reflects the degree to which consumers and employees feel excited and stimulated.

ASPs Application Service Providers: e-service organizations that rent computer programs such as word processing or web design applications.

assurance dimension The SERVQUAL assessment of a firm's competence, courtesy to its customers and security of its operations.

automation Replacing tasks that required human labour with machines.

basic business strategy A firm's fundamental approach as to whether it produces a standardized, low-cost, high-volume product or a differentiated, customized, personalized product.

beliefs Consumers' opinions about the provider's ability to perform the service.

benchmarking Setting standards against which to compare future data collected.

benefit concept The encapsulation of the benefits of a product in the consumer's mind.

benefit-driven pricing A pricing strategy that charges customers for services actually used as opposed to overall 'membership' fees.

blueprinting The flowcharting of a service operation.

bottlenecks Points in the system at which consumers wait the longest periods of time.

boundary-spanning roles The various parts played by contact personnel who perform dual functions of interacting with the firm's external environment and internal organization.

boundary tier The tier in the three-tiered model that concerns itself with the individuals who interact with the customers – the boundary spanners.

breaks company policies When a customer refuses to comply with policies that employees are attempting to enforce.

buffering Surrounding the technical core with input and output components to buffer environmental influences.

business analysis The way an organization improves its future activities based on past performance and research on how it can innovate its current activities to satisfy the needs of the customer.

business environment The social, technological and financial environment in which a firm operates and markets.

buying centre All the members of the team that play some role in the purchase decision of goods and services for and on behalf of the organization.

capacity sharing Strategy to increase the supply of service by forming a type of co-op among service providers that permits co-op members to expand their supply of service as a whole.

categorization Consumer assessment of the physical evidence and a quick mental assignment of a firm to a known group of styles or types.

central customer information file Main store of information containing data on customer history, characteristics, preferences.

change the way *we* work The element of the culture change initiative that teaches personnel to flowchart their activities and to re-engineer the process to better serve their customers.

change the way *you* work The element of the culture change initiative that allows personnel to break the rules in the context of serving their customers.

climate Employee perceptions of one or more organizational strategic imperatives.

cognitive dissonance Doubt in the consumer's mind regarding the correctness of the purchase decision.

cognitive responses The thought processes of individuals that lead them to form beliefs, categorize and assign symbolic meanings to elements of their physical environment.

commercial cue An event or motivation that provides a stimulus to the consumer and is a promotional effort on the part of the company.

communications gap The difference between the actual quality of service delivered and the quality of service described in the firm's external communications.

communications mix The array of communications tools available to marketers.

competencies The contributions customers bring to the service production process.

competitive advantage A distinctive or unique competence when compared with that offered by competing firms.

competitor intelligence Information gathered on the specific activities of competing organizations.

complementary The result of negative cross-price elasticity in which the increasing price of one service decreases the demand for another service.

complementary services Services provided for consumers to minimize their perceived waiting time, such as driving ranges at golf courses, arcades at movie theatres, or reading materials in doctors' offices.

complexity A measure of the number and intricacy of the steps and sequences that constitute a process.

confirmed expectations Customer expectations that match customer perceptions.

conquest marketing The pursuit of new customers as opposed to the retention of existing ones.

consumer decision process The three-step process consumers use to make purchase decisions; includes the pre-purchase stage, the consumption stage, and the post-purchase evaluation stage.

consumer management A strategy service personnel can implement that minimizes the impact of inseparability, such as separating smokers from nonsmokers in a restaurant.

consumption process The activities of buying, using and disposing of a product.

contact personnel Employees other than the primary service provider who briefly interact with the customer.

continuum of service development A range of service developments from major overhauls to minor style changes.

contrast/clash Visual effects associated with exciting, cheerful and informal business settings.

convergent scripts Employee/consumer scripts that are mutually agreeable and enhance the probability of customer satisfaction.

coordination tier The tier in the three-tiered model that coordinates activities that help integrate the customer and boundary tiers.

co-produce Service produced via a cooperative effort between customers and service providers.

corporate hospitality Entertaining clients in a social atmosphere in order to deepen a relationship.

cost drivers The tasks in activity-based costing that are considered to be the 'users' of overhead.

creative pricing Pricing strategies often used by service firms to help smooth demand fluctuations, such as offering 'matinee' prices or 'earlybird specials' to shift demand from peak to non-peak periods.

critical incident A specific interaction between a customer and a service provider.

critical incident technique A method of studying service failures by analysing critical incidents described in story form by respondents.

CRM system Software that manages customer information and contact.

cross-functional team A group of people who work towards a common goal but are from different departments in the organization.

cross-price elasticity A measure of the responsiveness of demand for a service relative to a change in price for another service.

cross-selling Encouraging a customer to buy an additional service during a transaction.

cultural norms Service personnel actions that either positively reinforce or violate the cultural norms of society.

culture The shared values and beliefs that drive an organization.

customer database Electronic storage of customer information.

customer errors Service failures caused by admitted customer mistakes.

customer involvement Participation and interest in the brand and/or organization.

customer needs and requests The individual needs and special requests of customers.

customer participation A supply strategy that increases the supply of service by having the customer perform part of the service, such as providing a salad bar or dessert bar in a restaurant.

customer preferences The needs of a customer that are not due to medical, dietary, psychological, language, or sociological difficulties.

customer relationship management The process of identifying, attracting, differentiating, and retaining customers where firms focus their efforts disproportionately on their most lucrative clients.

customer relationship marketing Marketing paradigm that focuses on customer retention.

customer research Research that examines the customer's perception of a firm's strengths and weaknesses.

customer retention Focusing the firm's marketing efforts towards the existing customer base.

customer tier The tier in the three-tiered model that focuses on customer expectations, needs and competencies.

customization Taking advantage of the variation inherent in each service encounter by developing services that meet each customer's exact specifications.

customization/customer contact matrix A table that illustrates the variety of relationships between marketing and other functions within the organization.

data collection method The method used to collect information, such as questionnaires, surveys and personal interviews.

data-mining Software used to analyse and interrogate large amounts of customer data.

decline When an organizations services are no longer preferred by customers, sales are low and profits are reducing.

decoupling Disassociating the technical core from the servuction system.

delivery gap The difference between the quality standards set for service delivery and the actual quality of service delivery.

derived expectations Expectations appropriated from and based on the expectations of others.

desired service The level of service quality a customer actually wants from a service encounter.

dichotomization of wealth The rich get richer and the poor get poorer.

direct measures The proactive collection of customer satisfaction data through customer satisfaction surveys.

disconfirmed expectations Customer expectations that do not match customer perceptions.

dispersion of control The situation in which control over the nature of the service being provided is removed from employees' hands.

disruptive others Customers who negatively influence the service experience of other customers.

distributive justice A component of perceived justice that refers to the outcomes (e.g., compensation) associated with the service recovery process.

divergence A measure of the degrees of freedom service personnel are allowed when providing a service.

divergent scripts Employee/consumer scripts that 'mismatch' and point to areas in which consumer expectations are not being met.

dominance–submissiveness The emotional state that reflects the degree to which consumers and employees feel in control and able to act freely within the service environment.

drunkenness An intoxicated customer's behaviour adversely affects other customers, service employees, or the service environment in general.

dual entitlement Cost-driven price increases are perceived as fair, whereas demand-driven price increases are viewed as unfair.

economic customers Consumers who make purchase decisions based primarily on price.

efficiency pricing Pricing strategies that appeal to economically minded consumers by delivering the best and most cost-effective service for the price.

emotional loyalty Attachment due to non-rational reasons.

emotional responses Responses to the firm's physical environment on an emotional level instead of an intellectual or social level.

empathy dimension The SERVQUAL assessment of a firm's ability to put itself in its customers' place.

employee–job fit The degree to which employees are able to perform a service to specifications.

employee surveys Internal measures of service quality concerning employee morale, attitudes and perceived obstacles to the provision of quality services.

empowerment Giving discretion to front-line personnel to meet the needs of consumers creatively.

enduring service intensifiers Personal factors that are stable over time and increase a customer's sensitivity to how a service should best be provided.

energy costs The physical energy spent by the customer to acquire the service.

enfranchisement Empowerment coupled with a performance-based compensation method.

environmental psychology The use of physical evidence to create service environments and its influence on the perceptions and behaviour of individuals.

e-service An electronic service available via the Net and other IT tools that completes tasks, solves problems, or conducts transactions.

ethical customers Consumers who support smaller or local firms as opposed to larger or national service providers.

evaluation of alternatives The phase of the pre-purchase stage in which the consumer places a value or 'rank' on each alternative.

evoked set The limited set of 'brands' that comes to the consumer's mind when thinking about a particular product category from which the purchase choice will be made.

exit A complaining outcome in which the consumer stops patronizing the store or using the product.

expansion preparation Planning for future expansion in advance and taking a long-term orientation to physical facilities and growth.

expectancy disconfirmation model The model in which consumers evaluate services by comparing expectations with perceptions.

expectations Consumer expectations pertaining to the service delivery process and final outcome.

explicit requests Customer needs that are overtly requested.

explicit service promises Obligations to which the firm commits itself via its advertising, personal selling, contracts and other forms of communication.

external data Information gathered outside the operations of the organization.

external search A proactive approach to gathering information in which the consumer collects new information from sources outside the consumer's own experience.

facility exterior The physical exterior of the service facility; includes the exterior design, signage, parking, landscaping and the surrounding environment.

facility interior The physical interior of the service facility; includes the interior design, equipment used to serve customers, signage, layout, air quality and temperature.

facility problems Services provided which have unsatisfactory tangible elements such as unhygienic conditions

factories in the field Another name for multi-site locations.

fail points Points in the system at which the potential for malfunction is high and at which a failure would be visible to the customer and regarded as significant.

financial consequences The perceived monetary consequences of a purchase decision by a consumer.

financial risk The possibility of a monetary loss if the purchase goes wrong or fails to operate correctly.

fixed costs Costs that are planned and accrued during the operating period regardless of the level of production and sales.

flat-rate pricing A pricing strategy in which the customer pays a fixed price and the provider assumes the risk of price increases and cost overruns.

focused factory An operation that concentrates on performing one particular task in one particular part of the plant; used for promoting experience and effectiveness through repetition and concentration on one task necessary for success.

focus group Facilitator-led discussion involving 6–12 participants to gather qualitative data.

focus group interviews Informal discussions with eight to twelve customers that are usually guided by a trained moderator; used to identify areas of information to be collected in subsequent survey research.

forward buying When retailers purchase enough product on deal to carry over until the product is being sold on deal again.

gestalt Customer evaluations that are made holistically and given in overall terms rather than in descriptions of discrete events.

goods Objects, devices, or things.

growth When services and products are introduced to the market sales are slow to begin with but grow as more customers become aware of the new developments.

hard technologies Hardware that facilitates the production of a standardized product.

harmony Visual agreement associated with quieter, plushier and more formal business settings.

heterogeneity A distinguishing characteristic of services that reflects the variation in consistency from one service transaction to the next.

high involvement Allows employees to eventually learn to manage themselves, utilizing extensive training and employee control of the reward allocation decisions.

hire and train personnel During the implementation of major new services and process developments new staff need to be hired and trained.

holistic environment Overall perceptions of the servicescape formed by employees and customers based on the physical environmental dimensions.

horizontal communication The flow of internal communication between a firm's headquarters and its service firms in the field.

human resources logic The reasoning that stresses recruiting personnel and developing training to enhance the performance of existing personnel.

idea generation Ideas are generated through research, new technologies, front-line staff, suppliers and staff.

idea screening Ideas need to be screened for effectiveness, cost and potential.

ideal expectation A customer's expectation of what a 'perfect' service encounter would be.

image value The worth assigned to the image of the service or service provider by the customer.

implicit needs Customer needs that are not requested but that should be obvious to service providers.

implicit service promises Obligations to which the firm commits itself via the tangibles surrounding the service and the price of the service.

inadequate support A management failure to give employees personal training and/or technological and other resources necessary for them to perform their jobs in the best possible manner.

indirect measures Tracking customer satisfaction through changes in sales, profits and number of customer complaints registered.

industrialization Mechanized or automated services that replaced human labour with machines.

industrial management model An approach to organizing a firm that focuses on revenues and operating costs and ignores the role personnel play in generating customer satisfaction and sustainable profits.

inelastic demand The type of market demand when a change in price of service is greater than a change in quantity demanded.

information overload Decision making adversely affected by mismanaged quantity of data.

information search The phase in the pre-purchase stage in which the consumer collects information on possible alternatives.

innovation An all-encompassing term used for major and incremental changes in services, products and processes.

inseparability A distinguishing characteristic of services that reflects the interconnection among the service provider, the customer involved in receiving the service, and other customers sharing the service experience.

instrumental complaints Complaints expressed for the purpose of altering an undesirable state of affairs.

instrumental loyalty Attachment due to rational reasons.

intangibility A distinguishing characteristic of services that makes them unable to be touched or sensed in the same manner as physical goods.

intangible dominant Services that lack the physical properties that can be sensed by consumers prior to the purchase decision.

integrated marketing communications (IMC) Combining a variety of complementary communications methods and media to deliver a consistent message.

interactional justice A component of perceived justice that refers to human content (e.g., empathy, friendliness) that is demonstrated by service personnel during the service recovery process.

inter-client conflicts Disagreements between clients that arise because of the number of clients who influence one another's experience.

inter-functional task force Problem-solving group in which individuals with diverse viewpoints work together and develop a better understanding of one another's perspectives.

inter-functional transfers Moving, via promotion or transfer, an employee from one organizational department to another to foster informal networks among departments.

internal data Information created within the organization through day-to-day operations.

internal logic Implicit and explicit principles of individual departments that drive organizational performance.

internal response moderators The three basic emotional states of the SOR model that mediate the reaction between the perceived servicescape and customers' and employees' responses to the service environment.

internal search A passive approach to gathering information in which the consumer's own memory is the main source of information about a product.

interpersonal services Service environments in which customers and providers interact.

interpretation gap This occurs when organizations have communicated their service through promotional activity and it is not interpreted by the customer in the way that was intended.

interview One-to-one, paired or group posing of structured questions by interviewer.

introduction During this stage of the product life cycle, costs are high due to research and development costs and sales are low as few customers are aware of the new developments.

invisible organization and systems That part of a firm that reflects the rules, regulations and processes upon which the organization is based.

job involvement Allows employees to examine the content of their own jobs and to define their role within the organization.

knowledge gap The difference between what consumers expect of a service and what management perceives that consumers expect.

ladder of loyalty Stages in developing customer relationships.

learned helplessness The condition of employees who, through repeated dispersion of control, feel themselves unable to perform a service adequately.

learning organization A firm which uses information to learn from mistakes and successes and to plan for the future.

level of attention Positive and/or negative regard given to a customer by an employee.

levels of management The complexity of the organizational hierarchy and the number of levels between top management and the customers.

lexicographic approach A systematic model that proposes that the consumer makes a decision by examining each attribute, starting with the most important, to rule out alternatives.

life-time value The worth of a customer from initial purchase to eventual defection to competitor or ceasing to use the service.

linear compensatory approach A systematic model that proposes that the consumer creates a global score for each brand by multiplying the rating of the brand on each attribute by the importance

attached to the attribute and adding the scores together.

long-term contracts Offering prospective customers price and non-price incentives for dealing with the same provider over a number of years.

loyalty scheme Rewards for continued business with the organization designed to encourage repeat purchases.

major process innovations Radical introductions of new processes to new markets

major service innovations Radical changes to service delivery mechanisms.

market-focused management model A new organizational model that focuses on the components of the firm that facilitate the firm's service delivery system.

marketing department The formal department in an organization that works on the marketing functions of the company.

marketing functions Tasks such as the design of a product, its pricing and its promotion.

marketing information Any facts, figues or data that can support maketing decision making.

marketing information systems A formal or informal process for managing the information gathered by an organization.

marketing logic The reasoning that stresses providing customers with options that better enable the service offering to meet individual needs.

marketing myopia Condition of firms that define their businesses too narrowly.

marketing orientation A firm's view towards planning its operations according to market needs.

marketing research Information gathered to address a particular marketing problem or requirement.

marketing value chain Each activity in maketing planning adds value to the offering to the customer.

materialismo snobbery Belief that without manufacturing there will be less for people to service and so more people available to do less work.

maturity A period during the product life cycle where sales are at their height.

maximum output per hour The number of people that can be processed at each station in one hour.

media advertising A one-way communications tool that utilizes such media as television and radio to reach a broadly defined audience.

minimum tolerable expectation A customer expectation based on the absolute minimum acceptable outcome.

mistargeted communications Communications methods that affect an inappropriate segment of the market.

mixed bundling Price-bundling technique that allows consumers to either buy Service A and Service B together or purchase one service separately.

molecular model A conceptual model of the relationship between tangible and intangible components of a firm's operations.

monetary price The actual dollar price paid by the consumer for a product.

multi-site locations A way service firms that mass produce combat inseparability, involving multiple locations to limit the distance the consumers have to travel and staffing each location differently to serve a local market.

mystery shopping A form of non-customer research that consists of trained personnel who pose as customers, shop unannounced at the firm and evaluate employees.

needs Security, esteem, and justice; often unrecognized as needs by customers themselves.

negative disconfirmation A nonmatch because customer perceptions are lower than customer expectations.

niche positioning strategy A positioning strategy that increases divergence in an operation to tailor the service experience to each customer.

non-customer research Research that examines how competitors perform on service and how employees view the firm's strengths and weaknesses.

non-instrumental complaints Complaints expressed without expectation that an undesirable state will be altered.

non-peak demand development A strategy in which service providers use their downtime to prepare in advance for peak periods or by marketing to a different segment that has a different demand pattern from the firm's traditional market segment.

nonpersonal sources Sources such as mass advertising that consumers use to gather information about a service.

non-systematic evaluation Choosing among alternatives in a random fashion or by a 'gut-level feeling' approach.

offshoring The migration of domestic jobs to foreign host countries.

one-sided blueprint An unbalanced blueprint based on management's perception of how the sequence of events *should* occur.

operations logic The reasoning that stresses cost containment/reduction through mass production.

opted-in Permission given for contact.

opt-outs Opportunity to withdraw personal information and to cease contact.

organism The recipients of the set of stimuli in the service encounter; includes employees and customers.

organizational image The perception an organization presents to the public; if well known and respected, lowers the perceived risk of potential customers making service provider choices.

organization/client conflicts Disagreements that arise when a customer requests services that violate the rules of the organization.

orientation change The element of the culture change initiative that teaches 'families' of personnel to reinforce one another on the job.

ostensive complaints Complaints directed at someone or something outside the realm of the complainer.

other core service failures All remaining core service breakdowns or actions that do not live up to customer expectations.

outsourcing The purchase and use of labor from a source outside the company.

participant observation The researcher takes on the role of the participants during the activity being researched while observing/recording their behaviour.

part-time employees Employees who typically assist during peak demand periods and who generally work fewer than 40 hours per week.

past experience The previous service encounters a consumer has had with a service provider.

penetration strategy A positioning strategy that increases complexity by adding more services and/or enhancing current services to capture more of a market.

perceived-control perspective A model in which consumers evaluate services by the amount of control they have over the perceived situation.

perceived justice The process whereby customers weigh their inputs against their outputs when forming recovery evaluations.

perceived service adequacy A measure of service quality derived by comparing adequate service and perceived service.

perceived service alternatives Comparable services customers believe they can obtain elsewhere and/or produce themselves.

perceived servicescape A composite of mental images of the service firm's physical facilities.

perceived service superiority A measure of service quality derived by comparing desired service expectations and perceived service received.

perceptions gap The difference between the service customers perceive they will receive and that which is actually received.

perfect-world model J. D. Thompson's model of organizations proposing that operations' 'perfect' efficiency is possible only if inputs, outputs and quality happen at a constant rate and remain known and certain.

performance consequences The perceived consequences of a consumer's purchase decision should the service perform less than 100 per cent effectively.

performance risk The possibility that the item or service purchased will not perform the task for which it was purchased.

perishability A distinguishing characteristic of services in that they cannot be saved, their unused capacity cannot be reserved and they cannot be inventoried.

personalized customers Consumers who desire to be pampered and attended to and who are much less price sensitive.

personal needs A customer's physical, social and psychological needs.

personal selling The two-way element of the communications mix in which the service provider influences a consumer via direct interaction.

personal service philosophies A customer's own internal views of the meaning of service and the manner in which service providers should conduct themselves.

personal sources Sources such as friends, family, and other opinion leaders that consumers use to gather information about a service.

personnel value The worth assigned to the service-providing personnel by the customer.

person/role conflict A bad fit between an individual's self-perception and the specific role the person must play in an organization.

physical evidence/ tangible clues The physical characteristics that surround a service to assist consumers in making service evaluations, such as the quality of furnishings, the appearance of personnel, or the quality of paper stock used to produce the firm's brochure.

physical risk The possibility that if something does go wrong, injury could be inflicted on the purchaser.

physiological responses Responses to the firm's physical environment based on pain or comfort.

pilot run During NSD – new service sevelopment – services and processes are piloted to ensure that adjustments are made before the actual service goes 'live' to the public.

plant within a plant The strategy of breaking up large, unfocused plants into smaller units buffered from one another so that each can be focused separately.

pleasure–displeasure The emotional state that reflects the degree to which consumers and employees feel satisfied with the service experience.

positioning strategy The plan for differentiating the organization from its competitors in consumers' eyes.

positive disconfirmation A nonmatch because customer perceptions exceed customer expectations.

predicted service The level of service quality a consumer believes is likely to occur.

price bundling The practice of marketing two or more products and/or services in a single package at a single price.

price discrimination Charging customers different prices for essentially the same service.

primary research Fist-hand data collected for a specific purpose.

privacy policy Details of how customer data will be used.

probability expectation A customer expectation based on the customer's opinion of what will be most likely when dealing with service personnel.

problem awareness The second phase of the pre-purchase stage, in which the consumer determines whether a need exists for the product.

procedural justice A component of perceived justice that refers to the process (e.g., time) the customer endures during the service recovery process.

process-line extensions Introducing new process delivery mechanisms to existing ones.

process time Calculated by dividing the activity time by the number of locations at which the activity is performed.

product Either a good or a service.

product development A means to enable the introduction of new designs, processes and the marketing of new services.

production-line approach The application of hard and soft technologies to a service operation in order to produce a standardized service product.

product life cycle How a service or product progresses through a sequence of stages from introduction to growth, maturity and decline.

product-line extensions Introducing new products to the existing product mix.

product-line pricing The practice of pricing multiple versions of the same product or grouping similar products together.

product value The worth assigned to the product by the customer.

professional service roles The parts played by personnel who have a status independent of their place in an organization due to their professional qualifications.

psychic costs The mental energy spent by the customer to acquire the service.

psychological risk The possibility that a purchase will affect an individual's self-esteem.

publicity and public relations A one-way communications tool between an organization and its customers, vendors, news media, employees, stockholders, the government and the general public.

putting the customer first The element of the culture change initiative that teaches personnel to put the customer first.

qualitative data 'Wordy' information often gathered on opinions and attitudes in some depth but using smaller samples.

quality circles Empowerment involving small groups of employees from various departments in the firm who use brainstorming sessions to generate additional improvement suggestions.

quantitative measures Numerical information, data in number or coded form usually consisting of large samples.

quantization The breaking down of monolithic services into modular components.

question context The placement and tone of a question relative to the other questions asked.

question form The way a question is phrased, i.e., positively or negatively.

rational mathematician model A model that assumes consumers are rational decision makers using a choice matrix of attributes, brand or company scores, and importance weights.

rationing Direct allocations of inputs and outputs when the demands placed on a system by the environment exceed the system's ability to handle them.

recurrent monitoring data Data gathered form the continuous scanning of the firm's environment.

red-lining The practice of identifying and avoiding unprofitable types of neighborhoods or types of people.

reflexive complaints Complaints directed at some inner aspect of the complainer.

relationship pricing Pricing strategies that encourage the customer to expand his/her dealings with the service provider.

reliability dimension The SERVQUAL assessment of a firm's consistency and dependability in service performance.

remote services Services in which employees are physically present while customer involvement in the service production process is at arm's length.

research orientation A firm's attitude towards conducting consumer research.

reservation price The price a consumer considers to capture the value he or she places on the benefits.

reservation system A strategy to help smooth demand fluctuations in which consumers ultimately request a portion of the firm's services for a particular time slot.

response bias A bias in survey results because of responses being received from only a limited group among the total survey population.

responses (outcomes) Consumers' reactions or behaviours in response to stimuli.

responsiveness dimension The SERVQUAL assessment of a firm's commitment to providing its services in a timely manner.

retaliation A complaining outcome in which the consumer takes action deliberately designed to damage the physical operation or hurt future business.

role ambiguity Uncertainty of employees' roles in their jobs and poor understanding of the purpose of their jobs.

role conflict An inconsistency in service providers' minds between what the service manager expects them to provide and the service they think their customers actually want.

role congruence The property of actual behaviours by customers and staff being consistent with their expected roles.

roll-out During NSD – new service development – this is the final part of the process when the new service goes 'live' to the public.

sales promotion A one-way communications tool that utilizes promotional or informational activities at the point of sale.

satisfaction-based pricing Pricing strategies that are designed to reduce the amount of perceived risk associated with a purchase.

saturation The saturation stage of the product life cycle occurs when there are many competitors seeking the same customers and the marketplace is flooded with similar services and products.

scale of market entities The scale that displays a range of products along a continuum based on their tangibility.

scent appeals Appeals associated with certain scents.

script norms Proposed scripts developed by grouping together events commonly mentioned by both employees and customers and then ordering those events in their sequence of occurrence.

script theory Argues that rules, mostly determined by social and cultural variables, exist to facilitate interactions in daily repetitive events, including a variety of service experiences.

seamless service Services that occur without interruption, confusion, or hassle to the customer.

search The ability and ease at which information can be sought.

secondary data Information that already exists in some form and has been gathered for a previous purpose.

selection and training A strategy that minimizes the impact of inseparability by hiring and educating employees in such a way that the customer's service experience is positive and the employees are properly equipped to handle customers and their needs.

selective agreement A method of dealing with a dissatisfied customer by agreeing on minor issues in order to show that the customer is being heard.

self-perceived service role The input a customer believes he or she is required to present in order to produce a satisfactory service encounter.

self-services Service environments that are dominated by the customer's physical presence, such as ATMs or postal kiosks.

service audit A series of questions that forces the firm to think about what drives its profits and suggests strategies for competitive differentiation and long-term profitability.

service cost per meal The labour costs associated with providing a meal on a per-meal basis (total labour costs/maximum output per hour).

service economy Includes the 'soft parts' of the economy consisting of several sectors.

service failures Breakdowns in the delivery of service; service that does not meet customer expectations.

service gap The distance between a customer's expectations of a service and perception of the service actually delivered.

service imperative Reflects the view that the intangible aspects of products are becoming the key features that differentiate the product in the marketplace.

service improvements The most common type of innovation. They include service improvements which deal with service delivery.

service–profit chain Logical process ensuring that satisfied employees provide excellent customer service which leads to bottom-line profit.

service providers The primary providers of a core service, such as a waiter or waitress, dentist, physician, or college instructor.

service quality An attitude formed by a long-term, overall evaluation of a firm's performance.

service quality information system An ongoing research process that provides relevant data on a timely basis to managers, who use the data in decision making.

service recovery A firm's reaction to a complaint that results in customer satisfaction and goodwill.

service recovery paradox Situation in which the customer rates performance higher if a failure occurs and the contact personnel successfully recover from it than if the service had been delivered correctly in the first place.

services Deeds, efforts, or performances.

servicescape All the non-living features that comprise the service environment.

service value The worth assigned to the service by the customer.

SERVQUAL A 44-item scale that measures customer expectations and perceptions regarding five service quality dimensions.

servuction model A model used to illustrate the factors that influence the service experience, including those that are visible to the consumer and those that are not.

sight appeals Stimuli that result in perceived visual relationships.

signs, symbols and artefacts Environmental physical evidence that includes signage to direct the flow of the service process, personal artefacts to personalize the facility, and the style of decor.

situational factors Circumstances that lower the service quality but that are beyond the control of the service provider.

size/shape/colours The three primary visual stimuli that appeal to consumers on a basic level.

smoothing Managing the environment to reduce fluctuations in supply and/or demand.

social consequences The perceived consequences of a consumer's purchase decision among the consumer's peers or the public in general.

social cue An event or motivation that provides a stimulus to the consumer, obtained from the individual's peer group or from significant others.

social desirability bias A bias in survey results because of respondents' tendencies to provide information they believe is socially appropriate.

socialization The process by which an individual adapts to the values, norms and required behaviour patterns of an organization.

social risk The possibility of a loss in personal social status associated with a particular purchase.

soft technologies Rules, regulations and procedures that facilitate the production of a standardized product.

sound appeals Appeals associated with certain sounds, such as music or announcements.

space/function Environmental dimensions that include the layout of the facility, the equipment and the firm's furnishings.

specialization positioning strategy A positioning strategy that reduces complexity by unbundling the different services offered.

special needs Requests based on a customer's special medical, psychological, language, or sociological difficulties.

standardization To produce a consistent service product from one transaction to the next.

standards gap The difference between what management perceives that consumers expect and the quality specifications set for service delivery.

stations A location at which an activity is performed.

stimuli The various elements of the firm's physical evidence.

stimulus The thought, action, or motivation that incites a person to consider a purchase.

stimulus–response model A model developed by environmental psychologists to help explain the effects of the service environment on consumer behaviour; describes environmental stimuli, emotional states, and responses to those states.

strategic planning A deliberate course of action to move the organization forward into the future.

structure The formal reporting hierarchy normally represented in an organizational chart.

style changes Simple changes to existing styles – such as the introduction of new staff uniforms.

subordinate service roles The parts played by personnel who work in firms where customers' purchase decisions are entirely discretionary, such as waitresses, bellmen and drivers.

substitutes The result of positive cross-price elasticity in which the increasing price of one service increases the demand for another service.

suggestion involvement Low-level empowerment that allows employees to recommend suggestions for improvement of the firm's operations.

supplementary service innovations Add-ons to the existing core service.

survey Used to gather data from a standard set of questions usually from larger samples and often quantitative.

switching costs Costs that accrue when changing vendors.

symbolic meaning Meaning inferred from the firm's use of physical evidence.

systematic evaluation Choosing among alternatives by using a set of formalized steps to arrive at a decision.

system failures Failures in the core service offering of the firm.

systems People-management systems of control, evaluation, promotion and recognition.

tangible dominant Goods that possess physical properties that can be felt, tasted and seen prior to the consumer's purchase decision.

tangibles Items that are part of the firm's physical evidence, such as business cards, stationery, billing statements, reports, employee appearance, uniforms and brochures.

tangibles dimension The SERVQUAL assessment of a firm's ability to manage its tangibles.

target markets The segments of potential customers that become the focus of an organization's marketing efforts.

taste appeals The equivalent of providing the customer with free samples.

technical core The place within an organization where its primary operations are conducted.

technical service quality A level of service quality measured by technology such as speed of transactions per hour at an ATM or consistent temperature within a shopping centre, hence performance is measured mechnically.

technology The level of automation a firm utilizes.

test marketing – During NSD – new service development – services, processes and products are trialled with customers and staff to ensure delivery will run smoothly when it is rolled out to the public.

third parties A supply strategy in which a service firm uses an outside party to service customers and thereby save on costs and personnel.

three-tiered model A view of service organizations that reconfigures traditional departmental functions into a customer tier, a boundary tier and a coordination tier.

tie to the customer The degree of involvement the firm has with its customers.

time costs The time the customer has to spend to acquire the service.

timing of the question The length of time after the date of purchase in which questions are asked.

total market service quality surveys Surveys that measure the service quality of the firm sponsoring the survey and the service quality of the firm's competitors.

touch appeals Appeals associated with being able to touch a tangible product or physical evidence of a service, such as shaking hands with service providers.

traditional/transactional marketing Focus on one-off sales.

transitory service intensifiers Personal, short-term factors that heighten a customer's sensitivity to service.

two-sided blueprint A blueprint that takes into account both employee and customer perceptions of how the sequence of events actually occurs.

type 1 service staff Service staff that are required to deal with customers quickly and effectively in 'once only' situations where large numbers of customers are present.

type 2 service staff Service staff that deal with numerous, often repeat customers in restricted interactions of somewhat longer duration.

type 3 service staff Service staff required to have more highly developed communication skills because of more extended and complex interactions with customers.

unavailable service Services normally available that are lacking or absent.

unbundling Divesting an operation of different services and concentrating on providing only one or a few services in order to pursue a specialization positioning strategy.

uncooperative customer A customer who is generally rude, uncooperative and unreasonably demanding.

unprompted/unsolicited employee actions Events and employee behaviours, both good and bad, totally unexpected by the customer.

unreasonably slow service Services or employees perceived by customers as being extraordinarily slow in fulfilling their function.

unusual action Both positive and negative events in which an employee responds with something out of the ordinary.

upward communication The flow of information from front-line personnel to upper levels of the organization.

variable costs Costs that are directly associated with increases in production and sales.

verbal and physical abuse When a customer verbally or physically abuses either the employee or other customers.

voice A complaining outcome in which the consumer verbally communicates dissatisfaction with the store or the product.

volume-oriented positioning strategy A positioning strategy that reduces divergence to create product uniformity and reduce costs.

willingness to perform An employee's desire to perform to his/her full potential in a service encounter.

woofs 'Well-off older folks', that segment of the population that controls 77 per cent of the nation's assets and 50 per cent of its discretionary income.

word-of-mouth communications Unbiased information from someone who has been through the service experience, such as friends, family, or consultants.

zone of tolerance Level of quality ranging from high to low and reflecting the difference between desired service and adequate service; expands and contracts across customers and within the same customer, depending on the service and the conditions under which it is provided.