



Certified Service Quality
Manager
Sample Material

V-Skills Certifications

A Government of India
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V-Skills



1. SERVICE QUALITY BASICS

The word “service” has many meanings, depending upon the context and settings.

1.1. What is Service

Service word is derived from Old French servise (French: service), from the verb servir < Latin servitium, from servus (“servant; serf; slave”). Displaced the native word þenest.

As a noun service is defined as

- ✓ An act of being of assistance to someone.
- ✓ A function that is provided by one program or machine for another as explained in computing.
- ✓ The serving, or delivery, of a summons or writ as explained in law.

Service is also frequently defined as an act of beneficial activity. A service that is considered as an act of beneficial activity has a long history dating back to the barter trade of material exchange that occurred in ancient times, a very basic trading service was performed.

A service is an intangible commodity. That is, services are an example of intangible economic goods.

Service provision is often an economic activity where the buyer does not generally, except by exclusive contract, obtain exclusive ownership of the thing purchased. The benefits of such a service, if priced, are held to be self-evident in the buyer's willingness to pay for it. Public services are those, that society (nation state, fiscal union, regional) as a whole pays for, through taxes and other means.

By composing and orchestrating the appropriate level of resources, skill, ingenuity, and experience for effecting specific benefits for service consumers, service providers participate in an economy without the restrictions of carrying inventory (stock) or the need to concern themselves with bulky raw materials. On the other hand, their investment in expertise does require consistent service marketing and upgrading in the face of competition.

A service is a set of one time consumable and perishable benefits

- ✓ delivered from the accountable service provider, mostly in close coaction with his internal and external service suppliers,
- ✓ effectuated by distinct functions of technical systems and by distinct activities of individuals, respectively,
- ✓ commissioned according to the needs of his service consumers by the service customer from the accountable service provider,
- ✓ rendered individually to an authorized service consumer at his/her dedicated trigger,
- ✓ and, finally, consumed and utilized by the triggering service consumer for executing his/her upcoming business activity or private activity.
- ✓ intangible source

1.2. Service vs Goods

There are obvious differences between goods and services that are analyzed based on characteristics of each. A good is a tangible object used either once or repeatedly. A service is intangible. The tangibility differentiator indicates the ability to touch, smell, taste and see which is absent in services. This can be a deterrent to the service receiver and to gauge the quality and dependant on the service company reputation. In the case of goods the ownership of the product is transferable from sellers to buyers, whereas in services there is no ownership involved.

On the quality front, with goods it is homogeneous, once produced the quality is uniform across all line of products. They can be separated from the seller/ provider and not dependant on the source for its delivery to the purchaser. With regard to service it is inseparable from the service provider and heterogeneous, where each time the service is offered it may vary in quality, output, and delivery. It cannot be controlled and is dependant on the human effort in achieving that quality hence is variable from producer, customer and daily basis.

Another key distinction is perishability of services and the non perishability of goods. Goods will have a long storage life and are mostly non perishable. Whereas services are delivered at that moment and do not have a long life or cannot be stored for repeat use. They do not bear the advantage of shelf life as in the case of goods like empty seats in airlines. With the production and consumption taking place simultaneously in services, it differs from goods on simultaneity and the provisions for quality control in the process.

Both goods and services need not be driven by economic motives. Several times goods and services are linked closely and cannot be detached. For example on purchase of a car, the good is the car but the processing, the provision of accessories, after sales activities are all services. It is essential to note that the difference between pure goods and pure services are in contrast but most goods and services exist in between with a mix of both. For instance, in a restaurant, food refers to goods while the service is the waiters offering, the ambience, the setting of tables amongst others.

1.3. Service Characteristics

Services can be paraphrased in terms of their key characteristics, sometimes called the "Five I's of Services".

Intangibility

Services are intangible and insubstantial: they cannot be touched, gripped, handled, looked at, smelled, tasted. Thus, there is neither potential nor need for transport, storage or stocking of services. Furthermore, a service can be (re)sold or owned by somebody, but it cannot be turned over from the service provider to the service consumer. Solely, the service delivery can be commissioned to a service provider who must generate and render the service at the distinct request of an authorized service consumer.

Inventory (Perishability)

Services have little or no tangible components and therefore cannot be stored for a future use. Services are produced and consumed during the same period of time.

Services are perishable in two regards

- ✓ The service relevant resources, processes and systems are assigned for service delivery during a definite period in time. If the designated or scheduled service consumer does not request and consume the service during this period, the service cannot be performed for him. From the perspective of the service provider, this is a lost business opportunity as he cannot charge any service delivery; potentially, he can assign the resources, processes and systems to another service consumer who requests a service. Examples: The hairdresser serves another client when the scheduled starting time or time slot is over. An empty seat on a plane never can be utilized and charged after departure.
- ✓ When the service has been completely rendered to the requesting service consumer, this particular service irreversibly vanishes as it has been consumed by the service consumer. Example: the passenger has been transported to the destination and cannot be transported again to this location at this point in time.

Inseparability

The service provider is indispensable for service delivery as he must promptly generate and render the service to the requesting service consumer. In many cases the service delivery is executed automatically but the service provider must preparatorily assign resources and systems and actively keep up appropriate service delivery readiness and capabilities. Additionally, the service consumer is inseparable from service delivery because he is involved in it from requesting it up to consuming the rendered benefits. Examples: The service consumer must sit in the hairdresser's shop & chair or in the plane & seat; correspondingly, the hairdresser or the pilot must be in the same shop or plane, respectively, for delivering the service.

Inconsistency (Variability)

Each service is unique. It is one-time generated, rendered and consumed and can never be exactly repeated as the point in time, location, circumstances, conditions, current configurations and/or assigned resources are different for the next delivery, even if the same service consumer requests the same service. Many services are regarded as heterogeneous or lacking homogeneity and are typically modified for each service consumer or each new situation (consumerised). Example: The taxi service which transports the service consumer from his home to the opera is different from the taxi service which transports the same service consumer from the opera to his home - another point in time, the other direction, maybe another route, probably another taxi driver and cab.

Involvement

One of the most important characteristics of services is the participation of the customer in the service delivery process. A customer has the opportunity to get the services modified according to specific requirement.

Each of these characteristics is retractable per se and their inevitable coincidence complicates the consistent service conception and make service delivery a challenge in each and every case. Proper service marketing requires creative visualization to effectively evoke a concrete image in the service consumer's mind. From the service consumer's point of view, these characteristics make it difficult, or even impossible, to evaluate or compare services prior to experiencing the service delivery.

Mass generation and delivery of services is very difficult. This can be seen as a problem of inconsistent service quality. Both inputs and outputs to the processes involved providing services are highly variable, as are the relationships between these processes, making it difficult to maintain consistent service quality. For many services there is labor intensity as services usually involve considerable human activity, rather than a precisely determined process; exceptions include utilities. Human resource management is important. The human factor is often the key success factor in service economies. It is difficult to achieve economies of scale or gain dominant market share. There are demand fluctuations and it can be difficult to forecast demand. Demand can vary by season, time of day, business cycle, etc. There is consumer involvement as most service provision requires a high degree of interaction between service consumer and service provider. There is a customer-based relationship based on creating long-term business relationships. Accountants, attorneys, and financial advisers maintain long-term relationships with their clients for decades. These repeat consumers refer friends and family, helping to create a client-based relationship.

1.4. Service Sector Growth

Services comprise a set of economic activities like transportation, trade, tourism, communications, banking and insurance, real estate, public administration, defence and so on. According to an Adrian - Payne four factors are responsible for growth in the service sector. They are

- ✓ Demographic changes: The life expectancy has raised which in turn, is producing an expanding retired population. This sector has created a new demand for travel and leisure, as well as for healthcare, nursing and life insurance. The need for infrastructural support services has increased due to the development of new towns and regions.
- ✓ Social changes: The number of women's in work force has increased, and this has led to traditional domestic functions being performed outside the home. The rise in number of double income household has created a greater demand for consumer services, including retailing, real estate and personal financial services. With the growing income, the standard of life has improved. Smaller families with double income spend more on entertainment, travel and hospitality services. The aspiration levels have increased due to communication and travel. As a result, both children and adults are making new demands on learning establishments, so that they can develop the skills needed in order to compete. In the complex and fast changing environment. This has opened avenues for knowledge and information based services.
- ✓ Economic changes: The demand for communication, travel and information services has increased due to globalisation. This has been filled by the rapid changes brought about by new information technology. Increased specialization within the economy has led to reliance on specialist service providers For e.g. advertising and marketing research have now become specialist functions providing support to all the sectors of the economy.
- ✓ Political and legal : The size of the government has grown creating a huge infrastructure of service departments. With the growth in international trade, the demand on legal and other professional services have increased, cutting across national boundaries. Manufacturing firms handing over repair and maintenance, data processing, warehousing and logistics services to specialised sources, which they earlier used to perform in-house. The liberalization has also created a new avenue for growth. The slow growth of agriculture and industry and the presence of widespread unemployment have driven people to seek work in the informal services. This is particularly true in the urban areas, where petty pavement retail trade, transport, another is

repair and service establishments have proliferated. Since the overall growth of the economy is now dependent on the service sector, the pace of productivity growth in services becomes critically important. Therefore, the government is taking an initiative in the sector.

Reasons for Growth

- ✓ **Economic Affluence:** One, of the key factors for the growth of demand for services is the economic affluence. According to the NCAER study the size of the middle income consumer is raising fast and the percentage of the very poor household's declining. The rural households in the upper income category is growing at a much faster pace than the urban households in the corresponding categories. The Economic liberalisation Process has had a positive impact on the Indian households. Their income as well as their expenditure has been pushed, creating a demand for many goods and services.
- ✓ **Changing Role of Women:** Traditionally the Indian woman was confined to household activities. But with the changing time there has been a change in the traditional way of thinking in the society. Women are now allowed to work. They are employed in defence services, police services, postal services, software services, health services, hospital services, entertainment industries, Business Process Outsourcing and so on. The percentage of working women has been growing rapidly. The changing role of women has created a market for a number of product and services. Earning women prefer to hire services in order to minimise the innumerable roles that they are required to perform. The demand by woman is forcing service organisations to be more innovative in their approach.
- ✓ **Cultural Changes:** Change is the underlying philosophy of culture place of change in Indian culture is not uniform. However, during the last century the factors of change are prominent. The emergence of the nuclear family system in place of the traditional joint family system creates a demand for a host of services like education, health care, entertainment, telecommunication, transport, tourism and so on. There has' been a marked change in the thought Processes relating to investment, leisure time perception and so on which has created a huge demand for services.
- ✓ **I.T. Revolution:** For the last 15 years India'6aste,en occupying a vital position in the area of Information Technology. IT became one of the key service businesses of the country. India has the largest software skilled population in the world. The domestic market as well as the international market has grown substantially. Realising the potential for this area many state governments have made IT as their most, prioritized segment states such as Karnntnka, Andhra Pradesh, Madhya Pradesh Maharashtra and Delhi have already achieved substantial progress in Information Technology the In the years to come 'IT enabled services will have a bright future. The growth of population, industrialisation and indiscriminate consumptions have affected the, natural resources, environment and the ecological balance. Due to this there is an imbalance of the ecology various service organisations have been promoted in order to take up social marketing. Thousands of crores of rupees are being spent on safeguarding the rare animals and birds, water pollution, conservation of oil & energy and research to develop new technologies that can promote effective use of natural resources and safeguard the environment.
- ✓ **Development of Markets:** During the last few decades the wholesaler and the retailer population has grown in the country. Urban India has become a cluster of wholesaling and retailing business. In the Semi - urban areas, retailing has spread to the nooks and corners of the streets and in the rural areas retail business is significantly present. A new breed of organisations, offering marketing services has come up. The government also offers marketing

services to the small-scale agricultural farmers, artisans and other traditional business sectors such as promotion of regulated markets, export promotion councils, development boards etc.

- ✓ **Market orientation:** The changing competitive situation and demand supply positions has forced the manufacturing organisation to shift their philosophy from production orientation to market orientation. Market is a service function that has been added in the organisation. The pressures in the market has further forced the manufacturing organisations to have marketing research, accounting, auditing, financial management, human resource management and marketing research divisions - all of which are services functions.
- ✓ **Health-Care Consciousness:** In India, the healthcare market has grown substantially. The increased life expectancy is the result of the consciousness of the people regarding the health issues. The growth of fitness clubs, diagnostic centres, medical counselling, health-related information sites are the reflections of the growing demands for health care services. The government as well as the social organisations have taken up the mass campaigns in order to create awareness among the illiterate persons and the rural population on health service. Hence, the growth of health related services.
- ✓ **Economic liberalisation:** The economic liberalisation of the 1991 has brought many changes in the Indian scenario. With the Disinvestment and the Privatisation policies the state owned monopolies in many service areas came to an end Multinationals were permitted to enter the Indian market. Liberal lending policies and lower interest rates motivated many people to become self-employed. Different sectors like Banking, Insurance, Power projects, Telecommunication, Hospitality sector, Health Services, Entertainment, Air transport, and Courier services witnessed intense competition, due to the entry of multinationals. The flow of time-tested service technology from various parts of the world changed the attitude of the Indian consumer towards sources.
- ✓ **Rampant Migration:** One of the important reasons for the growth of services in India is the rampant migration of rural to semi-urban and urban areas. Migration to urban areas for the want of jobs and livelihood has resulted in the expansion of cities and townships due to which businesses like real estates, rentals, transportation and infrastructure services are rapidly expanding.
- ✓ **Export Potential:** India is considered to be a Potential source for services. There are a number of services that India offers to various parts of the world like banking, insurance, transportation co data services, accounting services, construction labour, designing, entertainment, education, health services, software services and tourism. Tourism and software services are among the major foreign exchange earners of the country and that the growth rate is also very high as compared to the other sectors.
- ✓ **Service tax:** The growth in the service sector attracted the attention of the government as a tax generating source. Over the years, the number of services brought under service tax has increased- Service tax is levied on hotels and restaurants, transport, storage and communications, financial services, real states, business services and social and personal services.

1.5. Quality

Quality is a measure of excellence or a state of being free from defects, deficiencies and significant variations. It is brought about by strict and consistent commitment to certain standards that achieve uniformity of a product in order to satisfy specific customer or user requirements.

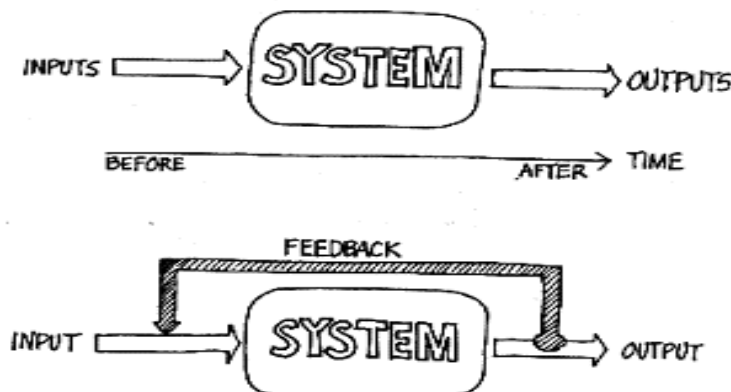
Quality is linked to the business or service processes used by any organization. A process is the transformation of a set of inputs into outputs that satisfy customer needs and expectations, in the form of products, information or services. Each process in each department or area can be analyzed by an examination of the inputs and outputs for improvements. The output is transferred to somewhere or to someone. Hence, at every supplier/customer interface then there resides a transformation process and every single task throughout an organization must be viewed as a process in this way.

After knowing the process to meet a need, focus on doing the job correctly thus, resulting in a requirement to monitor and control the process.

Process Control

Feedback received from process is used for process control thus, focusing on the input and output of the process for data collection. Every sub-process or task act as an input to next task or as output for previous one. Achieving optimum resources usage by a process though keeping quality output by

- ✓ Applying feedback loop to collect data from various process stages so as to apply improvisation
- ✓ Re-design the process for data collection, analysis and improvisation as part of the process.



A real-time feedback will initiate improvisation quickly. Tools like control chart helps in data collection and analysis as well.

The control of quality can only take place at the point of operation or production and the act of inspection is not quality control or quality assurance but both are

Quality control then is essentially the activities and techniques employed to achieve and maintain the quality of a product, process, or service. It includes a monitoring activity, but is also concerned with finding and eliminating causes of quality problems so that the requirements of the customer are continually met.

Quality assurance is broadly the prevention of quality problems through planned and systematic activities (including documentation). These will include the establishment of a good quality management system and the assessment of its adequacy, the audit of the operation of the system, and the review of the system itself.

1.6. Service Quality

It is an assessment of how well a delivered service conforms to the client's expectations. Service business operators often assess the service quality provided to their customers in order to improve their service, to quickly identify problems, and to better assess client satisfaction.

Service quality is a comparison of expectations with performance. A business with high service quality will meet customer needs whilst remaining economically competitive. Improved service quality may increase economic competitiveness.

This aim may be achieved by understanding and improving operational processes; identifying problems quickly and systematically; establishing valid and reliable service performance measures and measuring customer satisfaction and other performance outcomes.

From the viewpoint of business administration, service quality is an achievement in customer service. It reflects at each service encounter. Customers form service expectations from past experiences, word of mouth and advertisement. In general, Customers compare perceived service with expected service in which if the former falls short of the latter the customers are disappointed.

For example, in the case of TAJ Hotels, Resorts and Palaces, wherein TAJ remaining the old world, luxury brand in the five-star category, the umbrella branding was diluting the image of the TAJ brand because although the different hotels such as Vivanta by Taj- the four star category, Gateway in the three star category and Ginger the two star economy brand, were positioned and categorised differently, customers still expected the high quality of Taj from all their properties.

The measurement of subjective aspects of customer service depends on the conformity of the expected benefit with the perceived result. This in turns depends upon the customer's expectation in terms of service, they might receive and the service provider's ability and talent to present this expected service. Successful Companies add benefits to their offering that not only satisfy the customers but also surprise and delight them. Delighting customers is a matter of exceeding their expectations.

Pre-defined objective criteria may be unattainable in practice, in which case, the best possible achievable result becomes the ideal. The objective ideal may still be poor, in subjective terms.

Service quality can be related to service potential (for example, worker's qualifications); service process (for example, the quickness of service) and service result (customer satisfaction).

Dimensions of service quality

A customer's expectation of a particular service is determined by factors such as recommendations, personal needs and past experiences. The expected service and the perceived service sometimes may not be equal, thus leaving a gap. The service quality model or the 'GAP model' developed by a group of authors- Kevin, Kristine and Berry at Texas and North Carolina in 1985, highlights the main requirements for delivering high service quality. It identifies five 'gaps' that cause unsuccessful delivery. Customers generally have a tendency to compare the service they 'experience' with the service they 'expect'. If the experience does not match the expectation, there arises a gap. Ten determinants that may influence the appearance of a gap were described by

Parasuraman, Zeithaml and Berry. in the SERVQUAL model: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customer and tangibles.

Later, the determinants were reduced to five: tangibles; reliability; responsiveness; service assurance and empathy in the so-called RATER model.

1.7. Service Quality Elements

Elements involved in services are

- ✓ Resource - Resources can be in a physical, soft, or hybrid form. Knowledge or experience in a focused subject area transferred in a training service seems to be a soft resource or service product. Essentially, with the help of resources, the act of performing a transformation task for a customer who asks for it in exchange for acceptable compensation is termed as service provision.
- ✓ Provider - A service is purposely performed by a service provider. A service provider as an entity can be an individual, group, organization, institution, system or governmental agency.
- ✓ Consumer - A service consumer is usually a human being who consumes, acquires, or utilizes a service offered and performed by a service provider.
- ✓ Benefits - A performed service surely generates certain benefits. Different benefits are pursued by the service provider and the service consumer as they have different value propositions in executing the service.
- ✓ Time - A service certainly takes time to get performed to realize the desired benefits. Interactive activities between the provider and the consumer could occur in an ad hoc or predefined, unattended, and/or well-controlled process.

1.8. Service Quality Types

Service quality is concerned with the ability of an organisation to meet or exceed customer expectations. The measure of performance is perceived service quality. It has been argued that the quality of a service has two important types, which are

- ✓ Technical Quality - the outcome dimension of the service operations process.
- ✓ Functional quality - the process dimension in terms of the interaction between the customer and the service provider.

These two dimensions of service quality highlight the subjective nature of quality assessments. Generally clients of professional service firms such as accounting and law firms have difficulty in distinguishing between good and outstanding technical quality of the service; thus judgments are often made on the subjective basis of how the client was treated.

1.9. Service Quality Determinants

- ✓ Reliability: means the ability to perform the promised service dependably and accurately. In other words reliability means that the company delivers on its promises - promises about delivery, service provisions, problem resolution, and pricing. For example, FedEx, this company effectively communicates and delivers on the reliability dimension.

- ✓ **Responsiveness:** is the willingness to help customers and provide prompt service. This dimension emphasizes on attentiveness and promptness in dealing with customer's request, questions, complaints and problems. Responsiveness also captures the notion of flexibility and ability to customize the service to the customers needs.
- ✓ **Assurance:** is defined as employee's knowledge and courtesy and the ability of the firm and its employees to inspire trust and confidence. This dimension is likely to be particularly important for service for services that the customer perceives as involving high risk and / or about which they feel uncertain about their ability to evaluate outcomes. For examples, banking, insurance, brokerage, etc.
- ✓ **Empathy:** is defined as carrying individualized attention the firm provides its customers. The essence of empathy is conveying through personalized or customized service, the customers are unique and special. Customers want to feel understood by and important to that provide service to them. For example, personnel at small firm know customers by name and build relationships that reflect their personal knowledge of customer's requirements and preferences. When such a small firm competes with large firms, the ability to be empathetic may give the small firm a clear advantage.
- ✓ **Tangible:** tangibles are defined as the appearance of physical facilities, equipment's, personnel and communication materials. All of these provide physical representations or images of the service that customers particularly new customers, will use to evaluate quality. Although tangibles are used by Service Company's to enhance their image, provide continuity, and signal quality to consumers, most company combine tangibles with another dimension to create a service quality strategy for the firm.

1.10. Service Life Cycle

The different stages in the life cycle of a product and services are more or less similar and have common characteristics. They are

- ✓ **Introduction** - At this stage the service is new as it is just launched its usage rate will be low. The production cost is high but the sales being smaller the revenue is low. Until the growth stage the service provider mostly operate from one location.
- ✓ **Growth** - There is a rapid increase in the sales at this stage. The sales increase at an increasing rate as the consumers see the benefits. In using the service. Promotion is focused in order to attract new users and retain repeat customers. The firm may even improve service quality and add some new features to attract the customers.
- ✓ **Maturity** - The product/services enter the stage of maturity as the rate of growth slows down. Here the sales are still increasing but increasing at a decreasing rate. The sales touch their peak and then it saturates. At that level for a longer period of time. There is intense competition at this stage and the firm in order to keep its market share may modify and improve the service quality.
- ✓ **Decline** - The usage rate of services diminishes with the technological advancement and changing consumer tastes. The service provider uses different strategies at this stage. Some firms withdraw form the current service and switch over to new ventures with better opportunities. Some retain the services in order to cater to the needs of a few loyal customers but still diversify to other services.

Service Life Cycle Management (SLM)

Service life cycle management (SLM) refers to a strategy that supports service organizations and helps them recognize their gross income potential. This is done by examining the service opportunities proactively as a life cycle instead of a solitary event or set of discrete events. This helps to combine every service-based operation into a solitary, but complex, set of workflows and associated business processes.

As powerful worldwide competition cuts down product sales margins, global vendors are beginning to understand and appreciate the significance of customer-centric business. This has led many businesses to search for better ways to distinguish their products and gain long-lasting customer loyalty, as well as discover new profit sources. This movement triggered the growth of SLM, which is an initiative tailored to servicing a business's after-market. Service life cycle management is different from product life cycle management (PLM), which examines the entire life cycle of a product, rather than the organization as a whole.

Service management software used in SLM lets manufacturers plan their service resources. It also helps them to efficiently handle responsibilities, partners and costs of offered services. These solutions also empower staff by making additional actionable data promptly available, both in the office and in the field.

SLM includes the following vital elements:

- ✓ Workforce administration
- ✓ Components planning and forecasting
- ✓ Enterprise asset management
- ✓ Reverse logistics
- ✓ Knowledge administration
- ✓ Contract management
- ✓ Returns and repair management

1.11. Service Economy

Service economy can refer to one or both of two recent economic developments

- ✓ The increased importance of the service sector in industrialized economies. The current list of Fortune 500 companies contains more service companies and fewer manufacturers than in previous decades.
- ✓ The relative importance of service in a product offering. The service economy in developing countries is mostly concentrated in financial services, hospitality, retail, health, human services, information technology and education. Products today have a higher service component than in previous decades. In the management literature this is referred to as the servitization of products. Virtually every product today has a service component to it.

The old dichotomy between product and service has been replaced by a service-product continuum. Many products are being transformed into services.

For example, IBM treats its business as a service business. Although it still manufactures computers, it sees the physical goods as a small part of the "business solutions" industry. They have found that the price elasticity of demand for "business solutions" is much less than for hardware.

There has been a corresponding shift to a subscription pricing model. Rather than receiving a single payment for a piece of manufactured equipment, many manufacturers are now receiving a steady stream of revenue for ongoing contracts.

Full cost accounting and most accounting reform and monetary reform measures are usually thought to be impossible to achieve without a good model of the service economy.

Role of the service economy in development

Services constitute over 50% of GDP in low income countries and as their economies continue to develop, the importance of services in the economy continues to grow. The service economy is also key to growth, for instance it accounted for 47% of economic growth in sub-Saharan Africa over the period 2000–2005 (industry contributed 37% and agriculture 16% in the same period). This means that recent economic growth in Africa relies as much on services as on natural resources or textiles, despite many of those countries benefiting from trade preferences in primary and secondary goods. As a result, employment is also adjusting to the changes and people are leaving the agricultural sector to find work in the service economy. This job creation is particularly useful as often it provides employment for low skilled labour in the tourism and retail sectors, thus benefiting the poor in particular and representing an overall net increase in employment.

1.12. The Customer

There are two ways of looking at the customer of the service: Recipient and the judge. Customers in the service business have needs and expectations. Vice versa, assessing service quality, particular the impact of each quality element on customer's satisfaction should be considered. Er to and Vanacore (2002) list attributes, with regard to this impact: Must-be quality elements, includes service attributes that are so fundamentally basic that the customer may fail to consider them, unless the service provider are unsuccessful in providing them. They also point out that an absence of the basic expectation is extremely dissatisfying for most customers.

However, they often go unnoticed. One-dimensional quality elements concerns to the customer, the generally mentioned desirables or determinants in their choice of a service. These service qualities satisfy differently, depending on the level of presence. Attractive quality elements are attributes that exceed customer expectations. If these elements are present, they fulfill the customer's needs pleasantly and absence would not cause customer dissatisfaction.