

1. Define service evaluation. Discuss the role of customers in evaluation of service experience.

Answer: Service evaluation seeks to assess how well a service is achieving its intended aims. It is undertaken to benefit the people using a particular service and is designed and conducted with the sole purpose of defining or judging the current service. Consumers evaluate retail service and compare their expectations with the perceived service. If the services perceived fall below their expectations, they become dissatisfied.

Customer Expectations

It is said that customer expectations are based on customers' personal traits like age, experience, knowledge, education level, standard of living etc. Expectations vary from person to person, from store to store, from situation to situation and also from country to country.

Customer Perceptions

Customer perception is another factor that determines the customer evaluation of services. It may be defined as the way in which the customers perceive services in terms of overall quality and satisfaction levels. In order to establish long-term customer relationship, service quality must meet customer expectations as perceived by the customers.

The role of customers in the evaluation of service experience can be studied under the following heads-

1. **Customers as sources of production:** Services require customers to be actively involved in its production due to its basic characteristics like intangibility, simultaneity, heterogeneity and perishability. Organizations that capitalize on customers' active participation in its activities, can gain competitive advantage through greater sales volume, enhanced operating efficiencies, positive word-of-mouth publicity, reduced marketing expenses and enhanced customer loyalty.
2. **Customers as quality contributors:** Customers who actively participate in organizational activities can directly increase their personal satisfaction and perceptions of service quality. In education, health care, personal fitness etc., unless the customer performs his role effectively, the desired service outcome is not possible. Customer contribution towards the service quality can be achieved by-
 - Asking questions,
 - Taking responsibility for their own satisfaction,

- Complaining when there is a service failure,
 - Giving desired form of inputs as and when asked for,
 - Understanding the need for equal involvement in service delivery.
3. **Customers as competitors:** This factor can be considered only in case of self service, where the customer can compare the quality of the services he is giving himself with that of a service provider, in case it were not self service. For example, the service a customer gets in a restaurant from a waiter can be compared with the service he is giving himself in case of a self-service buffet.
 4. **Customer as influencers:** Customers work as influencers for other customers. Businesses should satisfy and make customers feel important for the business as they tend to influence other customers, existing and prospective. They endorse the services of the service provider through word-of-mouth.
 5. **Customer as decision- makers:** Not all consumers are decision makers of buying the products or services that they buy. Those customers who work as decision makers for themselves and for others must be identified and prospected differently for better sales.

Businesses should adopt strategies for enhancing customer participation in service delivery and evaluation.

Q.2. Explain the purchase decision making process of a consumer.

Answer: The purchase decision process refers to the stages a buyer passes through in making choices about which products and services to buy. Consumer purchase decision process can be divided into following three stages-

- A. Pre-purchase Stage
- B. The Service Encounter Stage
- C. Post-purchase Stage.



- A. The **pre-purchase stage** involves all those activities that the customer undertakes before actually purchasing a service. The steps involved in this stage are:
- i. **Need/problem Recognition:** This is the stage of identifying difference between the desired state and the actual condition. Consumers often note problems by comparing their current or actual situation, explicitly or implicitly, to some desired situation.
 - ii. **Information Search:** In this stage, consumers gather information related to the attainment of their desired situation and also identifies alternative means of problem-solutions. There are two main approaches to search- Internal Search and External search.
 - iii. **Evaluation of Alternatives:** This is the third stage in the buying process where various information collected from different sources are used in evaluating different alternatives and their attractiveness. Generally, consumers evaluate alternatives on the basis of attributes of the product, the degree of importance, belief in the brand, satisfaction etc. to choose correctly.
- B. The **service encounter** is the stage where the consumers actually interact with the organization. It is the quality of the encounter that determines whether the purchase materializes or not. The perfect blend of service blueprinting, serviscape and service personnel will ultimately generate a successful encounter. It includes the fourth step in purchase decision.
- iv. **Service Purchase and Consumption:** After the alternatives have been evaluated, consumers take the decision to purchase products and services. Various factors play a significant role in service purchase and consumption decision of the consumer, such as emotions and moods etc.
- C. The **Post-purchase Stage** is the last step in the buying decision process which gives the actual value in consumption or use.

- v. **Post purchase behavior: Value in consumption or use:** After buying a product, the consumer compares it with expectations and is either satisfied or dissatisfied. Here is where cognitive dissonance occurs, "Did I make the right decision." Firms often use ads or follow-up calls in the post-purchase stage to try to convince buyers that they made the right decision.

Thus, consumers go through the 5 stages of the buyer decision process in taking the decision to purchase any goods or services.