Customer Perception of Quality

What is Perceived Quality?

Perceived quality can be defined as the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives. Perceived quality is, first, a perception by customers. It thus differs from several related concepts, such as:

a) Actual or objective quality: the extent to which the product or service delivers superior service
b) Product-based quality: the nature and quantity of ingredients, features, or services included
c) Manufacturing quality: conformance to specification, the "zero defect" goal

Perceived quality cannot necessarily be objectively determined, in part because it is a perception and also because judgments about what is important to customers are involved. An evaluation of washing machines by a Consumer Report expert may be competent and unbiased, but it must make judgments about the relative importance of features, cleaning action, types of clothes to be washed, and so on that may not match those of all customers. After all, customers differ sharply in their personalities, needs, and preferences.

Perceived quality is an intangible, overall feeling about a brand. However, it usually will be based on underlying dimensions which include characteristics of the products to which the brand is attached such as reliability and performance. To understand perceived quality, the identification and measurement of the underlying dimensions will be useful, but the perceived quality itself is a summary, global construct.
Consumer Psychology

Consumer Decision Process

The consumer's decision process consists of six basic stages: stimulus, problem awareness, information search, evaluation of alternatives, purchase, and post purchase behavior. A stimulus is a cue (social, commercial, or noncommercial) or a drive (physical meant to motivate or arouse a person to act).

Understanding Consumer Attitude

The functional theory of attitudes was initially developed by psychologist Daniel Katz to explain how attitudes facilitate social behavior. According to this pragmatic approach, attitudes exist because they serve some function for the person. That is, they are determined by a person's motives. Consumers who expect that they will need to deal with similar information at a future time will be more likely to start forming attitudes in anticipation.

Shopping Behavior and Social Classes

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Shopping behavior varies by social class. For example, a very close relation between store choice and social-class membership has been found, indicating that it is wrong to assume that all consumers want to shop at glamorous, high-status stores. Instead, people realistically match their values and expectations with a store's status and don't shop in stores where they feel out of place.

**Consumer Behavior and Marketing Strategy**

A sound understanding of consumer behavior is essential to the long-run success of any marketing program. In fact, it is seen as a cornerstone of the marketing concept, an important orientation or philosophy of many marketing managers. The following descriptions explore the role of consumer behavior in designing and deploying three major marketing activities.

**Finding Out Customers Expectations**

To truly understand customers' needs, companies can encourage and facilitate customers' feedback about problems. British Airways, for example, installed customer-complaint booths at Heathrow Airport where disgruntled passengers could air their grievances on videotape. Besides giving customers immediate relief from their annoyances, British Air found that the complaint videotapes gave vivid information to management about customers' problems and expectations.

**Consumer Value Orientation**

Assessing consumers' present and emerging value orientations can help the marketer identify new product opportunities and achieve better product positioning among consumer segments. For example, as values such as "pleasure," "an exciting life," "a comfortable life," and "self-respect" increase in importance, the marketer may find a need for having products with brand names, colors, and designs that enhance these important values.

**Promotional Response Patterns**

Important class differences exist with regard to promotional response. The social classes have differing media choice and usage patterns. For example, readers of National Geographic and The New Yorker are typically of a higher class than the readers of Police Gazette, True Confessions, and The Star.

**Customer Satisfaction: Perception of Product and Service Quality**

When it comes to customer satisfaction, it all comes down to perception: How the customer sees and experiences the product and service provided by your business. It’s not what you believe or think, not what your studies or focus groups tell you, but what your actual customers feel, experience, and say. So your bottom-line, financial results are tied to customer satisfaction and quality. In turn, quality is measured along two dimensions, the physical and the performance.
Customer Requirements: Objective and Challenge

The product works and the service doesn’t. The service works and the product doesn’t. (If neither works, then you really have issues!) The customer has expectations and requirements; meeting and exceeding them is the objective, and defining them and understanding them is the challenge. The composition of customer requirements is neither static nor uniform. What works for one group will not work for another. What meets the needs during one period and with one product line or competitive market won’t work in another. So it is critical for every business to be able to segregate or stratify its customer base to identify various groups and their specific needs.

Keeping in mind that quality is multidimensional—both about a physical product and the performance of any physical product, as well as the service of providing it—to satisfy the customer you must consider all aspects of each dimension. If you are dealing with the physical dimensions of a product’s quality, then you need to deal with all aspects of the tangible product. It isn’t enough to get the size and shape right if you use inferior materials. On the performance dimension, it isn’t enough for the product to be fast if the customer wants the product to be fast and have multiple functions. If the customer is looking for a product that is made of superior materials with great form and function that operates at a high speed and has all the “bells and whistles,” then having three out of four product dimensions won’t get you 100% satisfaction.

Missing parts of the physical aspects of a product can also carry over to the performance aspects of service. These dimensions are much more difficult to get insights into and to quantify. Because performance dimensions are more about emotional responses to product usage (e.g., satisfaction and failures) and to interactions with your business for little things and big things (e.g., from “how to” questions to things gone wrong) they are often even more important to the profitability of the company. Customers may in fact accept a defective product much more readily than defective service.

Characteristics of Service as a Product: Quality and Performance

Product-oriented organizations tend to think of customer service as a process customer service simply in terms of providing “friendly employees.” Customers think of the customer service, and really all services, from a different perspective. Customers perceive service as a product and have expectations as to whether its features meet or exceed expectations—or completely fail to live up to their needs. If you call a customer service call center and can’t get to a “real person” and you expect to get one, then your expectations haven’t been met. If you call for technical

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assistance and can’t get an answer to your question, again expectations aren’t met and “quality” ratings decline.

Based upon the nature of customer viewpoints and behaviors, quality of service is typically measured by the customer in terms of the “products” the customer expects to receive. Thus it is important for every organization, especially service organizations, to determine what customers expect and then develop service products that meet or exceed those expectations.

Five Dimensions of Product and Service Quality

The quality of tangible products is usually a straight-forward determination; for customers, making a comparison between physical products is a matter of feature-to-feature analysis. The challenge for customers, and thus for organizations, lies in evaluating service quality, which may be the only way customers truly differentiate between one complete “product offering” and another. For this reason, organizations and their marketers live or die by understanding how consumers judge service quality.

The five dimensions of product service quality are:

- Physical ability and capability to provide service
- Consistency and reliability of service
- Responsiveness and willingness to provide service
- Knowledge and competence of employees providing service
- Empathetic concern for the customer

The majority of customer criteria are intangible. Regardless of whether the dimensions are tangible or intangible, the customer has two levels of expectations: desired and acceptable levels. The desired level is what the customer really wants. The acceptable level is what the customer finds to be the “reasonable” level of performance. Anything in between acceptable and desirable is what the customer will tolerate. To achieve that range between acceptable and desirable, each organization has to establish:

- Product and service quality specifications
- Employee performance metrics
- Product performance and quality metrics
- Clear definitions of customer expectations
- Service process management
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- On-going, interactive customer orientation
- Iterative process monitoring, controls, and corrective action procedures

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