

THE MOMENT OF TRUTH: A KEY TO SUCCESSFUL SERVICES MARKETING

Jens Hultman

Department of Entrepreneurship, Marketing and Management
Jönköping International Business School, P.O. Box 1026,
SE 511 11 Jönköping, Sweden
(jens.hultman@jibs.se)

ABSTRACT

This paper highlights the importance of the moment of truth in services marketing. The moment of truth is argued to be a notion that bridges the concept of the service encounter with the concept of the expected and experienced quality. This paper is outlined as follows: First, the service encounter is framed and the paper then addresses the concepts of service quality and expectations. When addressing expectations, specific attention is given to the zone of tolerance, a concept outlining the boundaries within which the expectations are seen as either met or not met. Second, implications for managers in service markets regarding the moment of truth are outlined. The paper concludes by raising current issues such as outsourcing, quality control and over performance in service production.

INTRODUCTION TO THE FIELD OF SERVICES MARKETING

Although it is still to some extent in the shadow of its big brother (the broad scientific discipline of marketing), services marketing developed independently from its antecedent over the last couple of years. Marketing has its history as a scholarly discipline that emerged during the 1930's and service marketing has a history that can be traced back to the 1950s. For an extensive elaboration on the history and development of services marketing as a scientific discipline, reports by Brown *et al.* (1994) and Grönroos (1994) are recommended. Of course, the histories of the two fields are intertwined. Services marketing started as a wave of criticism within

the field of marketing. Some of the early contributions to the discipline showed that there was a need to acknowledge the significant differences in the marketing of products compared to the marketing of services (e.g., Judd, 1964; McDowell, 1953; Regan, 1963; Shostack, 1977).

Despite these early contributions, and despite the fact that, in retrospect, it is obvious that there has been a long tradition of product bias in marketing, it was not until the mid 1980's that the field of services marketing really became established (Brown *et al.*, 1994). It was during the 1980's that the first textbooks on services marketing (e.g., Lovelock, 1984; Normann, 1984) were published and it was at this point the first journals with a distinct focus on services marketing were launched (e.g., *Journal of Services Marketing* was launched in 1987 and *International Journal of Service Industry Management* was launched in 1990).

With the emergence of service marketing as a discipline of its own, a certain number of generic characteristics that distinguishes a service from a product as well as a few important concepts developed. The characteristics that distinguish a service from a product (see discussion on the usual distinctions between service markets and product markets in Lovelock (2001) are usually the following:

- Intangibility – services, unlike products, cannot be felt, demonstrated in advance or transported as products.
- Perishability – services, unlike products,

cannot be stored. In most cases, production, consumption and sales are done at the same location.

- Inseparability – the production of services, unlike the production of products, is difficult to separate from the consumption of services. In most cases, the customer takes part in the production through some form of interaction.
- Variability – services, unlike many products, are homogeneous when it comes to output. Services cannot be standardised to the same extent as products, partly because the customer's participation in production creates an additional aspect of variation.

In addition, it has become quite popular, within the field, to say that a service is something that you can buy but that you cannot drop on your foot, thus emphasising the intangibility that services have and that distinguishes a service from a product (e.g., Grönroos, 1990). As a contrast to this definition, it ought to be stressed that one should be mindful of the dangers of regarding services as something completely different from products. There has, in fact, also been some scholarly interest to figure out the similarities between products and services, even though the main focus seems to be on how to distinguish the differences (e.g., Axelsson and Wynstra, 2002).

A few of these aspects in which services and products demonstrate distinct similarities can be illustrated. First, both services and goods need to have the purpose of fulfilling a specific need; they have some function for the customer. Second, both services and goods need to be competitive; they need to provide a specific value that differentiates it from services/goods provided by competitors. Third, we can discuss both services and goods in terms of three levels; core, actual and augmented (e.g., management consultancy). Fourth, many services and goods have both tangible and intangible elements.

The purpose of this paper is to conceptually

demonstrate how customer expectations, the service encounter and service quality are bridged by the notion 'moment of truth' in services marketing. Even though the paper mainly concentrates on the conceptual aspects of bridging the concepts together, the bridging arguments will, when applicable, be underpinned with empirical illustrations. Within the field, too many have treated the different constituting blocks of services marketing in isolation. Instead of following on this trail, this paper aims at bridging the concepts and to show how evaluation in terms of service quality is a pathway to determine and evaluate expectations. In services marketing, since the production and consumption is simultaneous, all these concepts are interconnected when the technical quality (the benefit) is transferred in the interaction between the service provider and customer, at the moment of truth.

The paper is outlined as follows. First, the service encounter is framed and the paper then addresses the concepts of service quality and expectations. When addressing expectations, emphasis has been put on the zone of tolerance, a concept outlining the boundaries within which the expectations are seen as met or not met. When addressing service quality, specific attention was given to how the total perceived quality is a match between expected quality and experienced quality. The first section was concluded by defining and discussing the moment of truth. Second, implications for managers in service markets regarding the moment of truth are outlined. The paper is concluded by bringing up current issues like outsourcing, quality control and over performance in service production, and relating these to the previous elaboration on the moment of truth.

FRAMING THE SERVICE ENCOUNTER

If we return to the four characteristics that differentiate a service from a product that was outlined in the introductory section, one very