Service Quality

- Expectations, perceptions and satisfaction about Service Quality at Destination Gotland - A case study

Authors: Md.Hussain Kabir and Therese Carlsson
Subject: Master thesis in Business Administration
Program: Masters Program in International Management 15 ECTS
Gotland University
Spring semester 2010
Supervisor: Bo Lennstrand

Abstract

This thesis is discussing and analysing expectations and perceptions about service quality in Destination Gotland. The aim is to analyze and research about the role of service quality for creating customer satisfaction and we want to find out the gap between expectations and perceptions through the customers point of view. The difference between expectations and perceptions can be described as satisfaction or lack of satisfaction. The specific questions that are researched in this thesis are:

1. What expectations does customer have on Destination Gotland's service quality to become satisfied?
2. What perceptions does customer have about the service quality at Destination Gotland?
3. What are the differences between expectations and perceptions (gap 5 in the SERVQUAL-model)?

The survey is constructed as a case-study and is based on the quantitative method. The results from the different dimensions show that there is a gap between expectations and perceptions which means that the customers are not fully satisfied about the service quality at Destination Gotland. On the other hand, the main respondents said yes on the question if they think the service meet their expectations. From the overall result in the statements we can see that there are several gaps between expectations and perceptions which means that the service quality do not fully meet the expectations. The result shows a total gap at -0,39.

Keywords: Service quality, customer satisfaction, expectations, perceptions, case-study, SERVQUAL, Destination Gotland.

Acknowledgements

First of all we would like to say thank you to our classmates, friends and participants in the seminar groups that gave us support and good comments about how we could improve our thesis. Your help has been very important for completing the thesis and motivating us when we felt hopeless and bored. We are also thankful to Ingrid Hallberg and Loes Portier-Lenglet that gave attention to our questionnaire and pointed out some mistakes.

Another thank you goes to our parents and other family members who gave us inspiration and support to work hard.

Finally we would also like to direct a special thank you to our supervisor, Bo Lennstrand. We are very grateful for his guidelines and help for identifying problems. Sometimes we were late in our understanding of his directions and feedback but in the end we finally understood perfectly. We realized exactly what he meant and followed what he told us. In the end everything turned out well.

Visby 10-05-31

Therese Carlsson   Md. Hussain Kabir

List of content

List of figures

1. Introduction

Service quality is needed for creating customer satisfaction and service quality is connected to customer perceptions and customer expectations. Oliver (1997) argues that service quality can be described as the result from customer comparisons between their expectations about the service they will use and their perceptions about the service company. That means that if the perceptions would be higher than the expectations the service will be considered excellent, if the expectations equal the perceptions the service is considered good and if the expectations are not met the service will be considered bad.

Oliver (1997) argues that customer satisfaction can be described as a judgement that a product or service feature, or the product or service it self, provides pleasurable consumption. Satisfaction can also be described as a fulfilment response of service and an attitude change as a result of the consumption. Gibson (2005) put forward that satisfied customers are likely to become loyal customers and that means that they are also likely to spread positive word of mouth. Understanding which factors that influence customer satisfaction makes it easier to design and deliver service offers that corresponds to the market demands.

1.1 Background

Oliver (1993) stated that during the past decades, in the marketing literature and marketing practices, the importance in the concept of service quality and service satisfaction has increased. Quality and satisfaction are indicators for corporate competitiveness and explores the benefit of marketing academics and practitioners. The relationship and nature of these customer evaluations remains unclear though satisfaction and service quality comes from two big research paradigms; expectations and perceptions which are considered as key instruments. Zeithaml et al, (1993) mention that in empirical studies quality and satisfaction are introduced as synonyms within the service business.

Schneider and Bowen (1985) and Tornow and Wiley (1991) found a positive correlation between the attitude of employees, the attitude of customers and employee and customer perceptions of service quality. They also found that customer satisfaction is directly related to the attitude and perceptions of employees, in turn, the attitude and perceptions of employees relate to the organization and its management practices. They also said that customer satisfaction is not just relating to the values and attitudes of employees, which means that the overall effectiveness of the organization has direct impact on values and attitudes.

According to Eskildsson (1994) over the past decades, many attempts have been made in both private and public sectors in the hope of making improvements in processes and services from the perspective of the customer. Many initiatives have been aiming for targeting the satisfaction of external customers. Often research has shown that these programs have failed to satisfy the first expectations. Consequently, consultants and experts have aimed for a broader focus within organizations in order to include the perspective of employees and their interrelationships with both managers and customers (Tornow and Wiley, 1991).

According to Oliver (1980) the customer satisfaction research literature concerns how well the service delivery occurs in comparison with expectations. Today customer satisfaction is an important subject and is also often discussed in marketing literature. Satisfaction can be described as a number of post experience decisions. One reason for the big interest in this area

is that researches believe that customer satisfaction is crucial for all business organization. Researches also argue that satisfaction has positive impact on intention to repurchase.

Andreassen T W (2001) mentions that customer satisfaction can be viewed as an evaluation where expectations and actual experience is compared. A service failure is when the service delivery does not manage to meet customer expectations. Often service recovery begins with a customer complaint. The aim with service delivery is to move customers from a state of dissatisfaction to a state of satisfaction.

Butcher and Heffernan (2006) discuss the relationship between customer and employees and that social regard plays an important role in service delivery, for example in a situation where a customer has to wait. A number of studies have shown the importance of friendly behaviour from the staff in order to improve service delivery and create long term relationships.

1.2 Problematization

We are looking into the case of Destination Gotland. They provide service for many customers every day and many customers depend on them to deliver service in a good way because they live on an island and the ferry is one of only two ways to come and go from this island. The general concept of customers that are dissatisfied is that they can create a bad image and reduce customer loyalty and therefore it has negative effects on long term profit margin. In order to make customers satisfied the company has to invest more money in good employees and better equipment. On the other hand the organization should follow the price level of the competitors.

Price and profit margin is one aspect of service firms. According to Gonzalez and Garzia (2008) many service delivery errors and problems can occur and that is not beneficial for the reputation of the organization. Ha and Jang (2009) argues that service failure occurs when customer perceptions do not meet customer expectations. The problem with service failure is that it may lead to a destroyed relationship between the customer and the organization. Grönroos (1983) argues that when the service producer and the service consumer are in direct contact there are many factors that affect the level of satisfaction. In service production there is an extensive involvement of people which creates some level of non-standardization that do not exist in production of service. For example, it is difficult for a security brokerage to keep the service quality at the same level when they have thousands of entrepreneurs working out there. There are also a number of communication gaps that can occur between a service company and its customers:

- The company overpromises.

- A firm fails to stay in touch.

- The communication is not understood. The service provider sometimes have more knowledge than the customer and fails to communicate in a way that the customer can understand.

- The company does not listen. It happens that customers feel that their instructions to the company are not followed. (Grönroos, 1983).

To avoid communication gaps and other service failures Gonzalez & Garzia (2008) argues that it is important for the organization to know what the customers are thinking about their service so that failures can be avoided and improvements can be made. They need to know which attributes to measure and which factors that can be taken from different tools to identify customer satisfaction. Time and costs also effects customer satisfaction, a quick response can be crucial for satisfying the customer. Maxham (2001) discusses that if problems in the service delivery occur the result can be that customers have to wait. Boshoff and Leong (1998) have found that an apology is connected to how the customer think about the service recovery and an apology also has influence on customer's intention to purchase and word of mouth. Cottle (1990) argues that in service encounters there are differences in tangibility and human interactions which make them complicated and it also makes them difficult to control. There are several reasons for difficulties connected to service control, service is about performance so there is no production process where you can put in quality (it is only possible through training), there are also big variations in services and therefore they are difficult to standardize. The reason for this is that the human factor always will make it impossible to create a totally customized product.

Gonzales and Garzia (2008) discusses that organizations have many problems to solve: How should the organization find out which expectations the customers have? How should the organization find out which expectations the customers have? How should the company implement a service recovery system? Is it good to combine different techniques to get best result in identifying customer satisfaction? Is it correct to combine different tools to improve service quality?

1.3 Research questions and aim

The specific questions that are researched in this thesis are:

1. What expectations does customer have on Destination Gotland's service quality to become satisfied?
2. What perceptions does customer have about the service quality at Destination Gotland?
3. What are the differences between the expectations and the perceptions (gap 5 in the SERVQUAL-model)?

Our aim is to research and analyze about the role of service quality for creating customer satisfaction on Destination Gotland. We want to find out the gap between expectations and perceptions through the customer point of view.

Contribution: From the result of this case-study the organization will be able to identify their quality of service and they can also find out their week service points. By using our result

they can improve their further service delivery. This case-study is also important for writing further thesis.

1.4 Disposition

Chapter 2: This chapter describes the methods that were used for making the survey. The questionnaire structure as well as the method for choosing the sample of population is also described.

Chapter 3: In this chapter the theoretical framework is presented. We present different definitions about service quality, customer expectations, perceived service quality and the relationship between customer expectations, perceptions and satisfaction. Finally we describe the SERVQUAL model that is used for analyzing the result and capturing the customer perspective of the service quality.

Chapter 4: The empirical material is presented. Expectations and perceived service quality is viewed separately and than the difference between those factors are viewed. This chapter also contains an analysis of the result. The analysis is based on the SERVQUAL-model.

Chapter 5: In this chapter we present different conclusions and recommendations for further research that we found when analysing the empirical material.

2. Research design

The reason for studying service quality and customer satisfaction is that it is of grate importance for survival and long term profit margin that a service company manages to create satisfied customers. If a manger knows about the important areas for customer satisfaction, he

can easily handle and improve the specific factors in further service delivery. In this chapter we will announce how the study was done, how we selected our respondents, limitations and method for analyzing the result of the case-study.

2.1 Case-study

To answer the problem formulation, we chose to do a case-study on Destination Gotland where we know that there are different kinds of customers with different expectations and perceptions and that could give different views to the investigation. According to Bryman and Bell (2005) a case-study means that you make a deep and close study of a specific case. A specific case means a place or a facility, for example a workplace or an organization. In our case we are investigating a specific company.

2.1.1 Limitations

This case-study is based on gap 5 in the SERVQUAL-model that is about the difference between expected and perceived service quality. The SERVQUAL-model consists of totally 5 different gaps that can occur within the service business.

The sample of population is not focused on any specific target group and therefore it is not possible to make any kind of generalizations about different groups. The questionnaire is long which sometimes was reason for reactions from the respondents, they thought that the questionnaire was too long and boring to read. In that way we lost a few respondents and some questionnaires where answered quickly without deep thinking. Most respondents answered without big persuasion though. We also asked them at the same time about expectations and perceptions, which can create confusion. If you use different customers for expectations and perceptions there will be less confusion and the answers will be more reliable.

2.2 Sample of population

Our choice of population is a non-probability choice. Our choice is made through convenience which means that we contacted people that we found available. Convenience choice means that the respondents are chosen because they are available (Bryman & Bell, 2005). One day we travelled with the ferry, the same day we went to Nynäshamn and back to Visby, we contacted persons on the train between Nynäshamn and Stockholm and provided them with questionnaires. We where always close by in case the respondents needed to ask us something. We also sent e-mail to friends, teachers, other employees and students at Gotland University because we know that they have experience from travelling with Destination Gotland. The criterion is that the respondents have some experience about travelling with Destination Gotland. The respondents are provided with questionnaires. We delivered 120 questionnaires and we received 58 answers.

2.3 Research method

We have chosen to use a quantitative research method. Bryman and Bell (2005) describes that a quantitative method means that data is collected with the aim to try theories. The difference between making a qualitative or quantitative study is that the qualitative study goes to the heart of the problem and has an inductive approach. The quantitative research design reaches a broader part of the problem and has a more deductive approach. Quantitative research focuses on measurement, causality, generalization and replication. Quantitative research is rather a lot of interpretation.

The reason for choosing a quantitative method for this case-study is that we wanted to gather a lot of data. We used questionnaire that we gave to people who have been travelling with Destination Gotland. The reason for choosing Destination Gotland for our case-study is that this company is important for the possibility to come and go from Gotland.

2.3.1 Process

Bryman & Bell (2005, P. 86) describes the main steps of a quantitative case-study. Here is a description of the process of the case-study in this thesis divided into the suggested steps, all the suggested steps will not be mentioned because they are not included in this case-study:

1. *Theory work*: We found out what theories which are good for answering our problem formulation.
2. *Research design*: We decided how we would structure the questionnaire and which questions that we would ask.
3. *Choice of measurement*: At the same time we decided how we would measure and review the different answers.
4. *Choice of place for survey*: Was chosen through convenience.
5. *Choice of respondents*: Was chosen through convenience.
6. *Case-study:* Delivery and collection of questioners.
7. *Data processing:* Work with structuring the empirical chapter
8. *Analysis*: Analysis of the result together with theory.
9. *Conclusions*: Conclusions were drawn from the analysis.
(Bryman and Bell, 2005)

2.3.2 Questioner structure

The questionnaire is made in both Swedish and English. The questionnaire is divided into two different parts, one part is related to customer expectations of service quality and one part is related to customer perceptions about service quality. Both parts are divided into four different parts, the first part are closed questions that are based on the SERVQUAL-questionnaire which consist of 22 different statements (Parasuraman et al., (1990). Those statements are also divided into five different dimensions (tangibles, reliability, assurance, responsiveness and empathy.
The following graph is showing the five dimensions and which feature number they are connected to.

Dimension	Features pertaining to the dimension
Tangibles	Feature 1-4
Reliability	Feature 5-9

Assurance	Feature 10-13
Responsiveness	Feature 14-17
Empathy	Feature 18-22

Table 1: Dimension and statement numbers in the SERVQUAL-model, (Zeithaml, Berry and Parasuraman, 1990)

We use a rating scale that is commonly used and consist of 5 steps from 1 (strongly disagree) to 5 (strongly agree). This rating scale is called Likert scale. It is also possible to use seven steps but we decided that it could be boring for the respondent to think about that many alternatives. This rating system is claimed by Fisher (2007, P. 195). The second part will consist of five suggestions that the respondents are asked to rank. The statistic data (mean, mode and median) is interpreted in the same way Koobgrabe et al (2008).

The average between	Interpretation of respondents opinion
4,21-5,00	The most
3.41-4.20	At much
2.61-3.40	Moderate
1.81-2.60	Less
1.00-1.80	At the least

Table 2: An interpretation of the Likert Scale (Koobgrabe et al, 2008).

Questionnaire 1- expectations

Part three and four in this questionnaire consist of open ended questions and the respondents will be asked to give there view on how the service could be done better and also what other expectations they have about service quality.

Questionnaire 2- perceptions

In this questionnaire part three and four consist of general information about the respondent (age, sex) and their previous travel experience with Destination Gotland.

2.4 Research approach

According to Bryman and Bell (2005) the two most important methods for gathering knowledge are induction and deduction. The induction process means that the survey starts with observations that will be interpreted and has the possibility to end in creation of new theories. The deduction process starts with the reading of theory and after reading theory hypothesis are formulated and tested in the reality.

Alvesson and Sköldberg (1994) are describing a third kind of research approaches. This approach is called abduction. This approach is described as the method that has the highest correspondence with the reality. This approach means that the process is not working only in one direction, the process is changing between work with theory and work with the empirical material. The process can be described as a combination of induction and deduction where the theory and the empirical material affect each other.

The research process in this thesis can best be described as deductive. We read theory and after that the theory was tested in the reality. It is not possible to avoid though that the theory to some extent might have to be adapted to the empirical material that is collected.

2.5 Method of analysis

To analyze the result we use the SERVQUAL- model statements (Parasuraman et al, (1990). That means that we measure customer expectations and customer perceptions and make a comparison between different areas of service. Each answer alternative is given a score and the score for expectations is summarized and the score for perceptions is summarized. Then the difference between expectations and perceptions is counted and a judgement about the service quality is given. The overall service quality level is showed through counting the score of each dimension and then summarize them. Jannadi and Al-Saggaf (2000) explains that the calculation shows a gap between perceptions and expectations and through that gap the service will be evaluated through the following formula.

SQi (feature) = Pi – Ei (1)
SQ (dimension) = (–   )   →1/ n (2)
when n = number of items in the dimension
Overall SQ =   /   =1 (3)
When n = total number of features
i = each feature
SQ = Service Quality
P = Perception score
E = Expectation score

Standard deviations are also used to measure dispersion of data around the mean. To be able to analyse the different answer options we gave each option different points, this method is called Likert scale. The expectations and perceptions are evaluated through 22 statements and the answer options are rated through five point Likert scale. The result is also linked with theory to identify which areas the company should improve. We used Microsoft Excel to transform the raw data from the questionnaires into diagrams and tables that are easier to facilitate.

2.6 Chapter summary

In this chapter we have been describing that we have done a quantitative case-study on service quality/customer satisfaction. The object for the case-study is Destination Gotland. The case-study consists of questionnaires that were conducted to people who have experience from travelling with Destination Gotland. The sample of population is done in a non-probability kind of way and we searched our respondents where they can be found in a convenient way, on the ferry for example. Our working process can be described as deductive, the work started with theory and ended in case-study on the reality. The method for analyze is SERVQUAL-model.

3. Theoretical background

This chapter contains a presentation of different factors that we consider important for this thesis. First we describe different definitions of service quality and we describe different gaps that are connected to service quality. After that we present different definitions about expectations and different kinds of expectations, different definitions about perceptions and the relationship between expectations, perceptions and satisfaction. Finally we present the SERVQUAL model.

3.1 The concept of service quality

According to Parasuraman et al. (1991), companies can get their competitive advantage by using the technology for the purpose of enhancing service quality and gathering market demand.

For decades, many researchers have developed a service perspective (Zeithaml, 2009, Ramsaran and Fowdar, 2007). Chang (2008) describes that the concept of service quality should be generally approached from the customer's point of view because they may have different values, different ground of assessment, and different circumstances. Parasuraman, Zeithaml and Berry (1990) mention that service quality is an extrinsically perceived attribution based on the customer's experience about the service that the customer perceived through the service encounter. According to the work of Kumra (2008), service quality is not only involved in the final product and service, but also involved in the production and delivery process, thus employee involvement in process redesign and commitment is important to produce final tourism products or services.

Another research study on service quality is presented by Grönroos (2007) who focuses on a model that is a comparison between customer expectations of the service and their experience of the service they have received before. This model is named "total perceived service quality". As he emphasizes on what customer is really looking for and what they evaluate, the service quality is based on two dimensions. The first dimension is the technical quality and this dimension refers to the outcome, what is delivered or what the customer gets from the service. The next dimension is the functional quality which refers to the manner in which the service is delivered or how it is delivered. Both dimensions affect the corporate image and the perception of quality in various ways. According to total perceived service quality model, perceived quality of a service is not only affected by the experiences of the quality dimensions that the consumer used for evaluating whether quality is perceived as good, neutral, or bad. It is al also affected by the perceived quality of given service as well as the outcome of the evaluation process.

Chang (2008) support the earlier line of thinking by Grönroos but Parasuraman, Zeithaml, and Berry developed "The Gap Analysis Model", which is a well known model of service quality. This model shows an integrated view of the consumer-company relationship. The main idea of the model is focused on the premise that service quality is dependent on the size and direction of the five gaps that can exist in the service delivery process.

    a. Gap 1: the gap between customer expectations and those perceived by management to be the customer's expectations.
    b. Gap 2: the gap between management's perception of consumer expectations and the firm's service quality specifications.
    c. Gap 3: the gap between service quality specifications and service delivery.
    d. Gap 4: the service delivery, external communication gap.
    e. Gap 5: the perceived service quality gap, the difference between expected and perceived service (Parasuraman et al, 1990).

The first four gaps are identified as functions of the way in which service is delivered from the service provider to the customer, while gap number five is connected to the customer and as such is considered to be the truth of service quality. Gap five is also the gap that the SERVQUAL instrument influences. Edvardsson (1996) mentioned that it is important for a service organization to define the level of quality at which to operate; he argued that it is more relevant to speak of the "right quality" than of merely high quality.

3.1.1 Different perspective of service quality

The word quality means different things to people according to the context. Lovelock and wirtz (2007, P. 418) mention that David Garvin identifies five perspectives on quality.

1. **The transaction view** of quality is synonymous with innate excellence: a mark of uncompromising standards and high achievement. This viewpoint is often applied to the performing and performing of visual arts. It is argued that people learn to recognize quality only through the experience gained from repeated exposure and managers or customers will also know quality when they see it is not very helpful.
2. **The product- based approach** sees quality as a precise and measurable variable. Differences in quality, it is argued, reflect differences in the amount of an ingredient or attribute possessed by the product or service. Because this view is totally objective, it fails to account for differences in the tests, needs, and preferences of individual customers or even entire market segments.
3. **User based definitions** starts with the premise that quality lies in the eyes of the beholder. These definitions equate quality with maximum satisfaction. This subjective, demand oriented perspective recognizes that different customers have different wants and needs.
4. **The manufacturing based approach** is supply based and is concerned primarily with engineering and manufacturing practices, quality is also operation driven.
5. **Value based definitions** define quality in terms of value and price. By considering the tradeoff between perception and price, quality comes to be defined as "affordable".

Grönroos (1983) also describes different definitions and one of them comes from Philip Crosby (1979) who defines service quality as conformance to specifications. Services are performances and often they are performed in the presence of the customer. Services have a nature of varying from one firm to on other and from one situation to on other. It is also possible to make a distinction between technical and functional service quality, technical quality is connected to what is delivered and functional quality is connected to how it is delivered. On other example is Jarmo Lehtinen who describes customer quality in terms of process quality and output quality. The process quality is evaluated during the service delivery and output quality is evaluated after the service delivery.

In the study described by Grönroos (1983) 10 determinants of service quality was identified:

- *Reliability* that is connected to the consistency of performance and dependability. Here it is determined if the company give the service in the right way the first time and keeps to its promises.

- *Responsiveness*. This factor concerns to what extent the employees are prepared to provide service. This involves factors such as mailing a transaction slip immediately, calling a customer back in short time and giving prompt service.
- *Competence.* Competence is connected the knowledge and skills of contact personnel, operational support personnel (and also research capability) that are needed for delivering the service.
- *Access*. This factor is connected to the approachability which means for example if the operating hours are convenient, the location of the facilities are convenient, the waiting times are short and also easy access by telephone.
- *Courtesy*. This factor involves politeness, respect, consideration, friendliness of contact personnel (including receptionists, telephone operators and so on).
- *Communication*. This is about keeping the customer informed in a language they can understand and also listen to the customer. The company may have to make some adjustments in order to include foreign customers.
- *Credibility*. Factors such as trustworthiness, believability and honesty are included. It means to the level the company has the customer's best interest at heart. Factors that affect the credibility are the company name, reputation, personal characteristics and the degree to which the hard sell is connected to interactions with customers.
- *Security*. Security means freedom from danger, risk or doubt. Factors included are: physical safety, financial security and confidentiality.
- *Understanding the customer*. This is about making an effort to understand the customer which involves learning about specific requirements, providing individualized attention and recognizing also the regular customer.
- *Tangibles,* they include physical aspects of the service such as physical facilities, appearance of personnel, tools or equipment that is used to provide the service, physical representations or other customers in the service facility.

Grönroos (1983) describes that the analyses of the study resulted in four conclusions. Conclusion number one is that service quality is determined by the customer's perceptions which result from comparing expectations that the customer have before receiving the service and the actual experience that the customer get from the service delivery. If the expectations are met the service quality is described as satisfactory. They can also be exceeded and than they are considered as more than satisfactory. Conclusion number two is that the evaluation depends on the service process and also the service outcome. As the third conclusion it is described that it exists two types of service quality: quality at the level where the regular service is delivered and the quality level where expectations or problems are handled.

3.1.2 Service-based Component of Quality

Lovelock and Wirtz (2007, P.420) describe that researchers argue that the nature of service quality requires a distinctive approach to indentify and measure service quality. The intangible, multifaceted nature of many services makes it harder to evaluate the quality of a service compared to products. Because customers are often involved in service production, a distinction needs to be drawn between the process of service delivery and the actual output of the service which is called technical quality. Other researchers suggest that the perceived quality of service is the result of an evaluation process in which customers compare their perceptions of service delivery with the expected outcome.

3.2 Customer expectations

Ekinci (2002) argues that the term expectation in service quality literature has different meanings for different authors. According to Tam (2005), it is important for success in influencing customer satisfaction to understand how customer expectations develops and update even if the term expectation is vague and difficult to interpret in surveys. Kandampully (2000) argues that the management of these customer expectations is also an imperative concept in tourism companies for further products and services designed to match and exceed those expectations.

Grönroos (2007) suggested that in order to increase long term quality, the customer expectations should be focused, revealed, and calibrated and he also developed the dynamic model of expectation that describes that the quality of professional services develops in a customer relationship over time. This model is illustrated in fig (1) which classifies the expectations into three distinguishable types and can be characterized in the following;

a. Fuzzy expectations exist when customers expect a service provider to solve a problem but do not have a clear understanding of what should be done.

b. Explicit expectations are clear in the customer's minds in advance of the service process. They can be divided into realistic and unrealistic expectations.

c. Implicit expectations refer to element of a service which are so obvious to customers that they do not consciously think about them but take them for granted" (Grönroos, 2007, P. 100)

International dynamics = expectation management Unintentional dynamics

```
                                                          ┌──────────────────┐
                                                          │ Implicit         │
                                                          │ expectations     │
                      ┌──────────────────────────────┐    │                  │
                      │ Explicit Expectations        │    │                  │
  ┌──────────────┐    │                              │──▶ │                  │
  │ Fuzzy        │    │ ┌──────────┐ ┌──────────┐    │    │                  │
  │ expectations │──▶ │ │Unrealistic│ │ Realistic│    │    │                  │
  │              │    │ └──────────┘ └──────────┘    │◀── │                  │
  └──────────────┘    │                              │    │                  │
                      └──────────────────────────────┘    └──────────────────┘
```
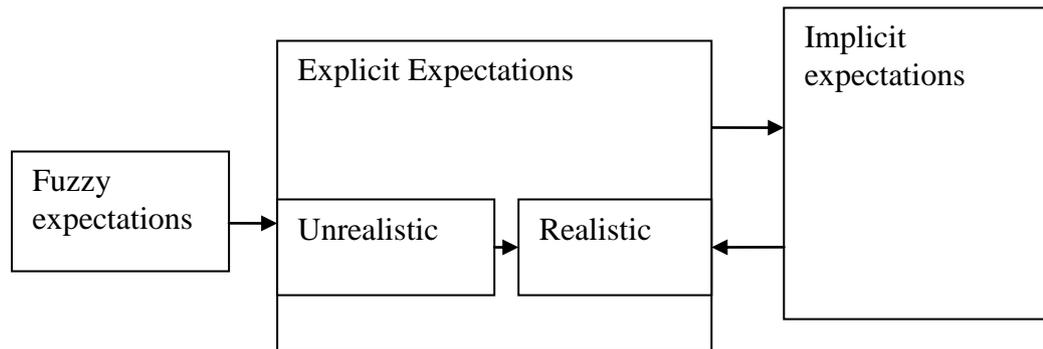
Figure 1: A dynamic model of expectations
(Grönroos, 2007)

Following fig 1, Grönroos, (2007) stated that an explicit service provider should understand fuzzy expectations because these expectations still have impact on customer satisfaction about quality and customers will be disappointed in case the service provider does not fulfill it. The characteristics in this customer expectations are: "customers may feel that there is a need for understanding what would fulfill this need or change their current state in general, but they do not have a clear understanding of what would fulfill this need or change in the current situation". (Grönroos, 2007, p.100) also state that customers expect something more in addition to be done but they don't know exactly what and how it should be done. The author also said that if the service provider "can make the explicit of these expectations for the customer and for itself, it is an opportunity for the customer".

Grönroos, (2007) mentions that customers normally presume that explicit expectations will be met and unrealistic expectations might be exited. Service providers have to help customers adjust these unrealistic expectations into more realistic ones to ensure that a service delivery will meet customer expectations. In this stage, service providers should be aware of the more vague promise or "implied –in-fact" promise because it can form unrealistic explicit expectations that lead customers to believe that services offered will include features that in fact are not included. Beside explicit expectations, implicit expectations also have to be fulfilled because they are apparent that customers are clearly expressed. Such implicit services will become explicit if they are not fulfilled.

(Grönroos, 2007, p.101) also mentions that both fuzzy and implicit provider expectations should be detected, because they can form explicit expectation as seen in the thick narrows (Fig. 2); called "intonation dynamics". It shows how the service provider can and should actively manage expectations. At last, the service provider should design the service offering to customers in order to meet all their expectations, and the dynamic approach to manage service contexts are therefore concerned.

According to Lovelock and Wirtz (2007) understanding the expectations of customers mean understanding that when customers evaluate service they compare their expectations with what they think they received from the supplier and if the expectations are met or even exceeded customers believe that the service have high quality. Customer expectations vary depending on what kind of business the service is connected to. Expectations also vary depending on different positioning strategies of different service providers. Thirdly the expectations are influenced by previous experiences of the service provider, competing services in the same industry or related services in different industries. If the customer don´t have any previous experience they are more likely to base their expectations on word of mouth, news stories or the marketing efforts of the company. One more thing to consider is that customer expectations vary over time because they are influenced by advertising, new technologies, service innovation, social trends and so on. A successful company is able to meet expectations in every step

3.3 Perceived service quality

Fiore and Kim (2007) present a conceptual framework that concerns the influences on the consumption experience by environmental variables such as physical elements of the service environment, individual variables, individual attributes and person-environment variables or situations. The physical environment has the possibility to provide ideas about the influence of customer perceptions on the brand image. Zeithaml and Bitner (2000) argue that customers do perceive quality in more than one way and they also have perceptions about multiple factors when quality is assessed.

Baker et al. (2002); Bitner (1990); Minor et al (2004) also put forward that the environment influences customer satisfaction. For example, the environment in a hotel will affect customer satisfaction. Lovelock and Wirtz (2007) discusses how confirmation or disconfirmation of expectations relates to satisfaction and delight: The terms "quality "and "satisfaction" are sometimes used interchangeably. Some researchers believe, however, that perceived service quality is just one component of customer satisfaction, which also reflects price/ quality trade-offs, and personal and situation factors.

Baker et al (2002) also describes three components that influence the service encounter elements. The first component is physical environment and includes for example music, lightning and external and internal environmental design, the second one is customer interactions with intangible and tangible elements in the service environment and the periods when customers interact with physical facilities and other tangible elements in the service environment. Andaleeb and Conway, 2006; Wu and Liang, 2005) mentions the second component that is connected to the relationship between the service employee and the customer. Behaviour is a key determinant of how the service will be appreciated.

Bitner (1992); Baker et al., (2002) is describing the third component that is about how customers are influenced from the appearance, perceptions and behaviour of other customers. Baker and Cameron (1996), discusses that it is shown that the behaviour of other customers affect perceptions and that makes it important for service providers to be careful about the interaction between customers.

According to Lovelock and Wirtz (2007) a service encounter is a period of time during which the customer interact directly with the service provider. Some of these encounters are very brief and consist of just a few steps. If you use a service that requires the customer to make a reservation this first step might have been taken days or even weeks before the customer arrives at the service facility.

Lovelock and Wirtz also (2007 also discusses The Servuction Model. It is static and describes a single service encounter or moment of truth. Service processes usually consist of a series of encounters, such as your experience with a flight that consist of steps from making reservation to checking in, taking the flight, and retrieving customer's bags on arrival. Knowledge of role and script theories can help us to understand, design, and manage both customer behavior and employee behavior during those encounters.

From the discussion above we understand that this part is connected to the Continuum of Perceived Service Quality. The following model is shown below;
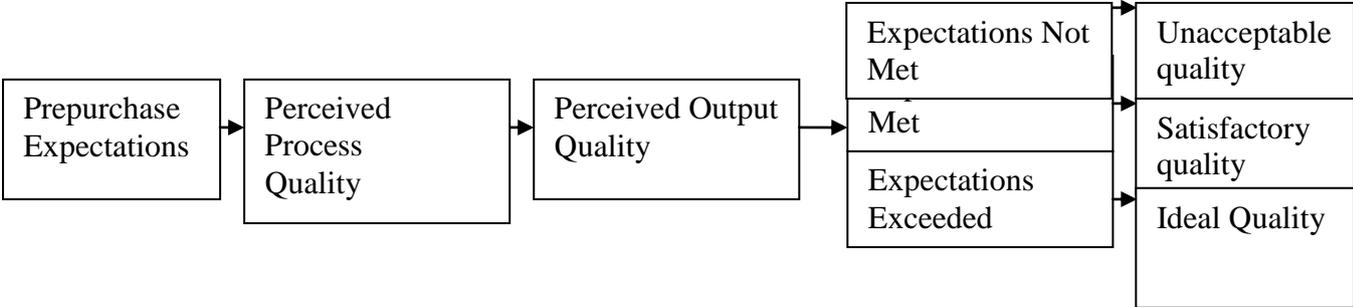

Figure 2: Continuum of perceived Service Quality (Parasurman et al, 1990).

3.4 The relationship between customer expectations, perceptions and satisfaction

Oliver (1997) mentions that customer satisfaction has a big research tradition of more than three decades. He also gives a definition about customer satisfaction: "a judgement that a product or service feature, or the product or service it self, provides pleasurable consumption related fulfilment. On other definition from Oliver (1997) is that customer satisfaction is as an over all emotional response to an entire service experience for a specific service encounter after purchasing consumption.

In an earlier article Oliver (1980) discusses that satisfaction can be understood as the discrepancy between expectations and perceptions. Differences are to be expected between importance attributes but also segments. Pizam and Ellis (1999) explain that customer satisfaction can be described as a comparison between performance and expectations.
Oliver and Swan (1989) expand the definition and mention that customer satisfaction is an affective term and they identify five different types of satisfaction which are pleasure, relief, novelty and surprise. There are many definitions but according to White and Yu (2005) one consensus that can be found is that the construct includes either cognitive or affective responses and customer satisfaction can be either product or service focused.

Gibson (2005) found in his studies that satisfied customers become repeat purchasers of a product or service and provide positive word of mouth. That means that it is important to understand what factors that influences customer satisfaction in order to create good products or services. Zeithmal and Bitner (2003) expands this discussion and describes that there is an overwhelming interest in service quality and the reason for that is that both practitioners and researchers believe that quality is crucial for the success of any business organization. The construct has great impact on customer satisfaction, repeat purchase behaviour and in the long run also the profitability of the organization. Bitner (1990) also mentions that if the service is affective it has a direct and immediate affect on the customer satisfaction.

Zeithaml and Bitner (2003) argue that customer satisfaction has become a major contributor for enhancing a service company such as long term profitability, customer loyalty, and customer retention. That means for example that it is important to encourage the staff to deliver the right service to the right people in reasonable time and showing good manner. Satisfied customers may also give positive word of mouth and for that reason attract new customers and create long term business profit.

Oliver (1980) suggest that in order to create customer satisfaction it is important for the company managers to identify which product or service attributes that can enhance customer satisfaction or delightfulness, than the performance can be improved and it will also be possible to find out which attributes that are expected by the customers (expected attributes can create dissatisfaction by their absence). Many researchers argue that customer satisfaction has big impact on customer intentions to repurchase (Cronin, Brady, and Hult, 2000). Andersson and Furnell (1995) also argue that satisfaction is an indicator of intentions to return to the supplier.

3.5 Capturing the Customer's Perspective of Service Quality- SERVQUAL MODEL

Lovelock and Wirtz (2007, P. 420) discusses that to measure customer satisfaction with various aspects of service quality, Valarie Zeithaml and her colleagues developed a service research instrument called "SERVQUAL", this model is based on the premises by which customers can evaluate a firm's service quality through comparing their perception of its service and with their own expectations. SERVQUAL is seen as a generic measurement tool that can be applied across a broad spectrum of service industries. There are 22 perception items and expectation items that are reflecting the five dimensions of service quality. Respondents complete a series of scales that measure their expectation of companies in a particular industry in a wide area of service characteristics. They also discuss that when perceived performance ratings are lower than expectations, it is a sign of poor quality and reverse indicate good quality.

Parasuraman, (1988) says that in service and retail business, SERVQUAL is a multi-item scale which is developed to assess customer perceptions of service quality but originally it is developed form GAP model. The author also argues that SERVQUAL must be reliably assessed and measured in order to improve services quality. He mentions that SERVQUAL is an important model to identify the gaps between customer expectations of the service and their perceptions of the actual performance of the service.

Alexandris et al., (2002) have described that SERVQUAL is a good model which is helpful for identifying practical issues of service quality in the tourism sector.
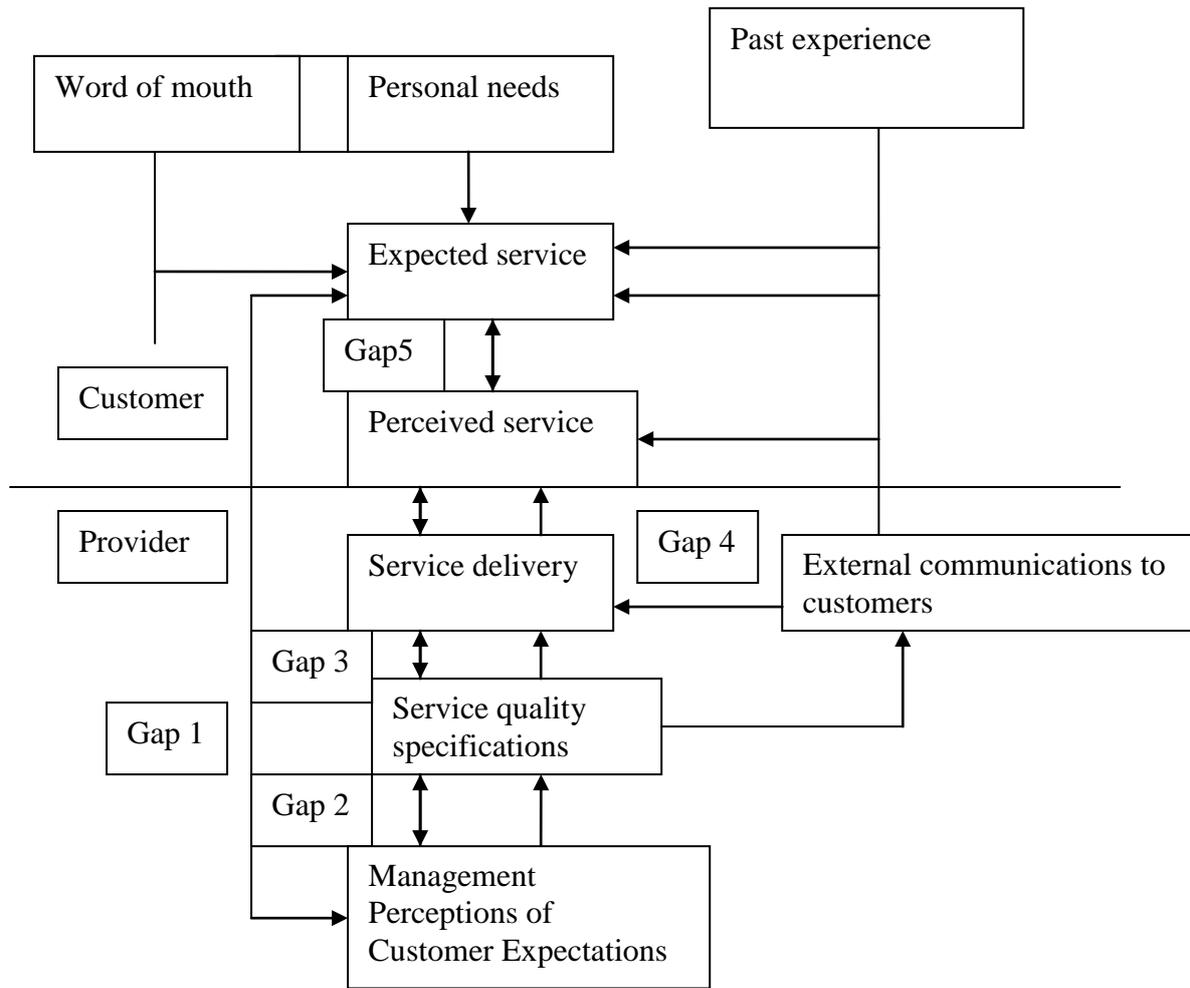
Figure 3: The SERQUAL scale. It is based on a gap model by Parasuraman at el (1985).

The authors indicated that "In service literature the gap model is the most reliable and has the most valuable contributions". The model emphasis four key internal gaps relating to managerial perception of service quality, and tasks which is connected with service delivery to customers. Both the actual version of SERVQUAL (Parasuraman et al., 1988) and its modified version (Parasuraman et al.,1991) developed five dimensions of service quality like tangibles, reliability, responsiveness, assurance, and empathy.

Zeithaml, Berry and Parasuraman (1990) identified 10 criteria used by consumers in evaluating service quality. In subsequence research they found a high degree of correlation between several of these variables and so consolidated them into five broad dimensions. These authors describe that tangibles are about the physical facilities, equipment, and appearance of personal and presence of users and it is also important for creating a good atmosphere. This dimension aspect of a service is one of the few dimensions that a potential service provider can know and evaluate in advance of participation.

Reliability means that the service company has to be able to perform the promised service dependably and accurately. It also creates organization's promotional effort which can

contribute to participant expectations. Generally, performance at the highest standard is crucial to reliability.

Responsiveness refers to the willingness to help participants and give prompt attentiveness. The customers expect their request to be solved quickly and perfectly.

Assurance means that the customers want to rely on courteous and knowledgeable employees who convey trust and confidence.

The last dimension empathy is associated with caring personal that takes care of users. Empathy also indicates good understanding of the customer's needs and wants.

Zeithaml et al (1990) mention that Assurance and Empathy contain items that are representing seven original dimensions; (Communication, credibility, security, competence, courtesy, understanding/knowing customers, and access). They did not remain distinct throughout the several refinements over the years which led to the extended service quality model. Zeithaml et al (1988) mention that the purpose of SERVQUAL is to serve as a diagnostic tool for indentifying an organization's service quality weakness and strengths which is uncovered. The SERVQUAL instrument creates a systematic, multi- stage and interactive process that consist from the verifying dimensions and items within correspond to the certain company and industries.

3.6 Chapter Summary

There are four important objectives in this thesis: service quality, customer perceptions and customer expectations and SERVQUAL model. There are also many definitions about these objectives, the definitions that we follow in this theses are:

Service quality: Parasuraman, Zeithaml and Berry (1990) mention that service quality is an extrinsically perceived attribution based on the customer's experience about the service that the customer perceived through the service encounter.

Customer expectations: Grönroos (2007) suggested that in order to increase long term quality, the customer expectations should be focused, revealed, and calibrated and he also developed the dynamic model of expectation for the way that the quality of professional services develops in a customer relationship over time.

Customer perceptions: Lovelock and Wirtz (2007, P.420) explain that there are researchers that suggest that the perceived quality of service is the result of an evaluation process in which customers compare their perceptions of service delivery with the expected outcome.

The relationship between these concepts is described in an earlier article by Oliver (1980). He discusses that satisfaction can be understood as the discrepancy between expectations and perceptions.

Parasuraman, (1988) says that in service and retail business, SERVQUAL is a multi-item scale which is developed to assess customer perceptions of service quality but originally it is developed form GAP model.

We also describe that there are several gaps that occur when it comes to service delivery. The gap that is researched in this thesis is the gap between expectations and perceptions.

4. Analysis of customer service quality in reality

In this chapter we present the result of our case-study and analyze the expectations and perceptions of the customers. We show gap 5 that Parasuraman et al (1990) defines as the perceived service quality gap: the difference between expected and perceived service quality.

4.1 General information

This part shows general information about our respondents. The data comes from part three in the questionnaire, question number 1 and 2.

4.1.1 Respondent demographics

(See table 3). Based on age the main respondent in this research is in the group 20-30 years old. This age group shows a percentage of 51, 72 %. The second largest age group is people that are more than 50 years old, this age group shows a percentage of 22,41 %. It is followed by the age group 41- 50 years old that shows a percentage of 13, 79 %. Next age group is 31-40 that shows a percentage of 10, 34 %. The smallest group is the group with people that are younger than 20 and this group shows a percentage of 1, 72%. When it comes to gender males represent 39, 66 % of the total number of respondents and females represent 60, 34 %. Most of the males are in the age group 20-30 years old (17, 24%). It is the same situation for the females, 34, 48 % of the females are in the age group 20-30 years old.

Gender	Total (amount & %)	< 20 years Old (amount & %)	20-30 years Old (amount & %)	31-40 Years Old (amount & %)	41-50 years Old (amount & %)	>50 years Old (amount & %)
Total	58(100%)	1(1, 72%)	30(51,72%)	6(10,34%)	8(13,79%)	13(22,41%)
Male	23(39, 66%)		10(17,24%)	3(5,17%)	2(3,45%)	8(13,79%)
Female	35(60, 34%)	1(1, 72%)	20(34,48%)	3(5,17%)	6(10,34%)	5(8,62%)

Table 3: Sex and age of respondents
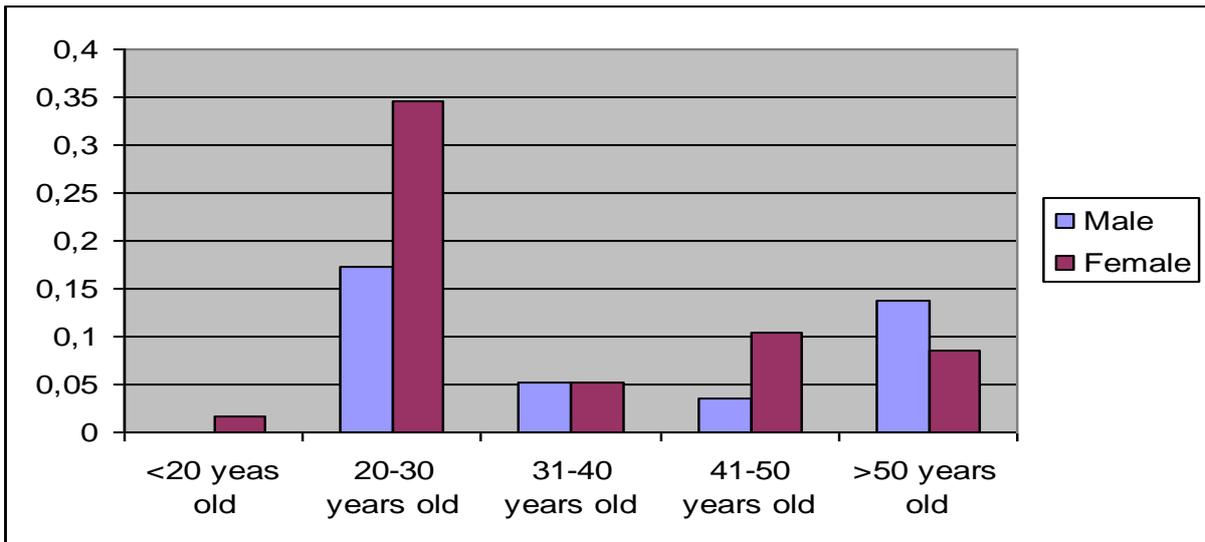
Diagram 1: Bar chart representing age and sex group

4.2 Service quality- all respondents

The research and analysis at Destination Gotland in this thesis is based on gap 5 in the SERVQUAL-model and the service quality is assessed by counting scores that are given by the SERVQUAL-model. The method is used for all 22 features with the purpose of measuring different customer expectations and perceptions.

4.2.1 Service Quality - total

Most of the empirical data of total 58 respondents thinking about expectation and perceptions is shown in table 3. This table is showing the scores for expectations and perceptions divided into the five different dimensions (tangibles, reliability, assurance, responsiveness and empathy). The likert scale (with rank 1-5) is used to indicate the customer´s expectations and perceptions. There were also an alternative to say no opinion and that answer is given 0 points.
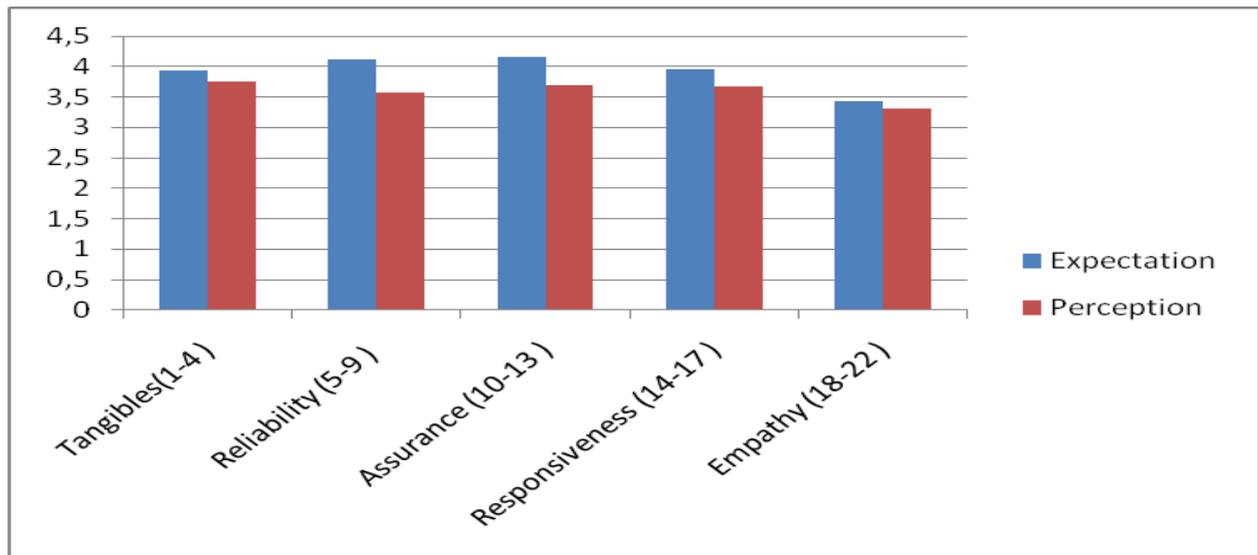
Diagram 2: Result of Expectations and Perceptions from all respondents

Dimension	Average score of Expectation	Average score of perception
Tangibles (1-4)	3,94(±0,23)	3,76(±0,05)
Reliability (5-9)	4,11(±0,15)	3,57(±0,32)
Assurances (10-13)	4,16(±0,07)	3,69(±0,05)
Responsiveness (14-17)	3,95(±0,31)	3,68(±0,13)
Empathy (18-22)	3,44(±0,29)	3,32(±0,10)
Total	3,99(±0,26)	3,60(±0,17)

±in parenthesis is a standard deviation (SD)

Table 4: Average score of Expectation and Perception of all respondents

The figure gives an over all answer to all three research questions. The result shows that the average score of total expectations are 3, 99(±0, 26) and the overall perception score is 3, 60(±0, 17). The score shows a -0, 39 difference. That means that the expectations are higher than the perceived service quality. The customers have the highest expectations about the knowledge and behavior of the personnel (assurances) at an average point of 4.16 (assurances are followed by the ability to provide good service at the time it is promised (reliability) 4, 11, the willingness to help and giving good information (responsiveness) 3, 95, physical aspects (tangibles) 3, 94 and at last individual attention (empathy) 3, 44). Assurance is therefore considered the most important dimension of service quality and tangibles and empathy are considered the least important dimensions. According to Parasurman et al (1990) reliability is an important dimension and that is to some extent confirmed by this study. Reliability is the second most important dimension according to the result of this study with an average score of 4, 11.

When it comes to perceptions we can see that also here the tangible dimension has the highest score with an average of 3,76. Assurances has the second highest score with an average of 3, 69. They are followed by responsiveness 3, 68, reliability 3, 57 and the dimension that has the lowest perceptions is empathy with an average score of 3, 32. The big difference that can be

seen is that tangibles do not have big importance when it comes to expectations but tangibles is the dimension that received the highest perceived service quality.

4.2.2 Each SERVQUAL feature

In this part the score of each feature is shown. The horizontal axis represents each feature and the vertical axis shows the average score from the total number of respondents.
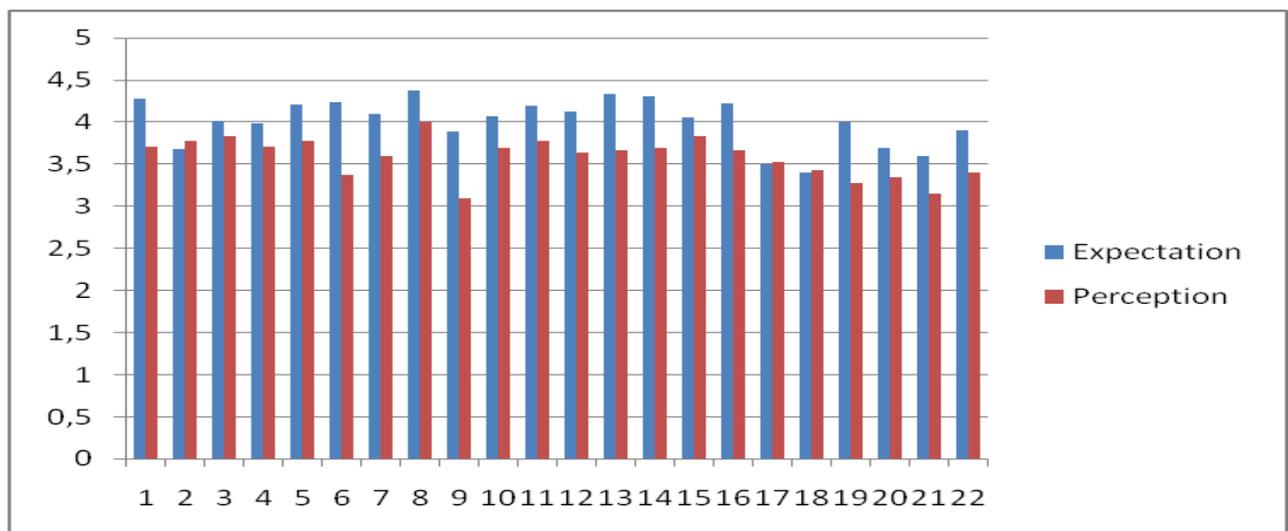
Diagram 3: The result from all respondents divided into each feature (see questionnaire appendix 1)

A: Tangibles (Feature number 1-4)

In diagram 5 we can see the expectations and perceptions about the specific features and also the difference between the expectations and perceptions.

According to Parasurman et al (1990) tangibles are about physical facilities, equipment, personnel and communication material. This dimension includes physical facilities, equipment, personnel and communication material and if the personnel appear neat. Grönroos (2007) mention that service quality can be divided into two parts, functional quality and technical quality. Tangibles can be connected to the functional quality (Grönroos, 2007). Customers of Destination Gotland showed overall expectations in this dimension at mean 3, 94(±0, 23) (see table 4). At the same time their perception about this dimension is at mean 3, 76 (±0, 05). That means that the customers do not think that Destination Gotland fulfill their expectations about physical appearance, modern looking equipment, the appearance of the employees. The difference between expectations and perceptions in this dimension is calculated to -0, 18. If we look at each feature we can see a difference as follows -0, 57, 0,10, -0, 19 and -0, 27. As we can see, statement number 2 shows a positive result which means that the perceptions about the visually appealing materials is exceeding the expectations.

B: Reliability (Feature number 5-9)

Reliability is connected to the consistency of performance and dependability, Grönroos (1983). This dimension includes keeping promises, showing a sincere interest in solving

problem, give right service the first time, providing the service at the time the company promise to do so and trying to keep an error free record. That means that this dimension can be connected to both technical quality and functional quality. Showing a sincere interest in solving problem is about the manner in which the service is delivered and therefore it is connected to the functional quality. The other features in this dimension can be connected to the technical quality. The customers show overall expectations in this dimension at mean 4, 11 (±0, 15) (see table 4). Their perceptions show mean at 3, 57 (±0, 32) (see table 4). The customers do not think that their overall expectations are fulfilled within this dimension. The difference is calculated to -0, 54 (see table 4). When we look at each feature the differences are calculated to -0, 43, -0, 87, -0, 5 and -0, 8 (see appendix number 2, table 5). This result show that the customers are not at all satisfied with the quality described in this dimension.

C: Assurance (feature number 10-13)

According to Zeithaml, Berry and Parasuraman (1990) assurance is about competence, courtesy, credibility, and security. Grönroos (1983) describes those factors separately; courtesy is about politeness, respect, consideration, friendliness of contact personnel (including receptionists, telephone operators and so on). Competence is connected to the knowledge and skills of contact personnel, operational support personnel (and also research capability) that are needed for delivering the service. Credibility involves factors such as trustworthiness, believability and honesty. It means to the level the company has the customer's best interest at heart. Factors that affect the credibility are the company name, reputation, personal characteristics and the degree to which the hard sell is connected to interactions with customers. Security means freedom from danger, risk or doubt. Factors included are: physical safety, financial security and confidentiality. This dimension can also be connected to the functional quality (Grönroos, 2007).

This dimension is about the behaviour and ability of the employees to instil confidence, secure transactions, courtesy of the employees and the knowledge of the employees to answer questions from customers.

(See table 4). The customers show overall expectations in this dimension at mean 4, 16 (±0,07). Their perceptions show mean at 3, 69 (±0, 05). The customers do not think that their overall expectations are fulfilled within this dimension. The difference is calculated to -0, 47. When we look at each statement the differences are calculated to -0, 38, -0, 43, -0, 48 and -0, 67. This result show that the customers are not at all satisfied with the quality described in this dimension.

D: Responsiveness (feature number 14-17)

According to Grönroos (1983) this factor concerns to what extent the employees are prepared to provide service. This involves factors such as mailing a transaction slip immediately, calling a customer back in short time and giving prompt service.

This dimension touch subjects as information about the service, giving prompt service, employees willingness to help the customers and that the employees never are to busy to respond to requests from customers. This dimension can be connected to the technical quality because the features are about how the service is delivered. (See table 4) the customers show overall expectations in this dimension at mean 3, 95 (±0, 31) while their perceptions show mean at 3, 68 (±0, 13). The customers do not think that their overall expectations are fulfilled

within this dimension. The difference is calculated to -0, 27. When we look at each statement the differences are calculated to -0, 6, -0, 22, -0,55 and -0,02. This result show that the customers are not at all satisfied with the quality described in this dimension.

E: Empathy (feature number 18-22)

According to Zeithaml, Berry and Parasuraman (1990) empathy is about easy access, good communication and understanding the customer. Grönroos (1983) describes those factors separately. Easy access is connected to the approachability which means for example if the operating hours are convenient, the location of the facilities are convenient, the waiting times are short and also easy access by telephone. Good communication is about keeping the customer informed in a language they can understand and also listen to the customer. The company may have to make some adjustments in order to include foreign customers. Understanding the customer is about making an effort to understand the customer which involves learning about specific requirements, providing individualized attention and recognizing also the regular customer.

This dimension include factors such as individual attention, if the company has the best of the customer at their heart, if the employees understand the specific needs of the customers and convenient operating hours. This dimension is clearly connected to the functional quality (Grönroos. 2007).

(See table 4). The customers show overall expectations in this dimension at mean 3, 44 (±0, 29) while their perceptions show mean at 3, 33 (±0, 10). The customers do not think that their overall expectations are fulfilled within this dimension. The difference is calculated to -0, 12. When we look at each statement the differences are calculated to 0, 03, -0, 72, -0, 36 and -0, 45 and -0, 5. This result show that the customers are not at all satisfied with the quality described in this dimension except feature 18 which is about individual attention.

4.2.3 Ranking of Expectations and Perceptions

In table 5 (see also appendix 2, table 2 and 4) the result of the ranking of the different items is shown. Table 5 shows the difference between expectations and perceptions. This table is linked to part two in the questionnaire and it is showing the rank of each feature from 1-5 (rank 1 means the highest priority and rank 5 means the lowest priority).

Prioritizing	Feature no: Customer Expectations	Feature no: Customer perceptions
Rank 1 (1st priority)	2	2
Rank 2	3	4
Rank 3	3	3
Rank 4	4	1
Rank 5	5	5

Table 5: Result of prioritizing the feature pertaining customer expectations and perceptions described in ranking place.
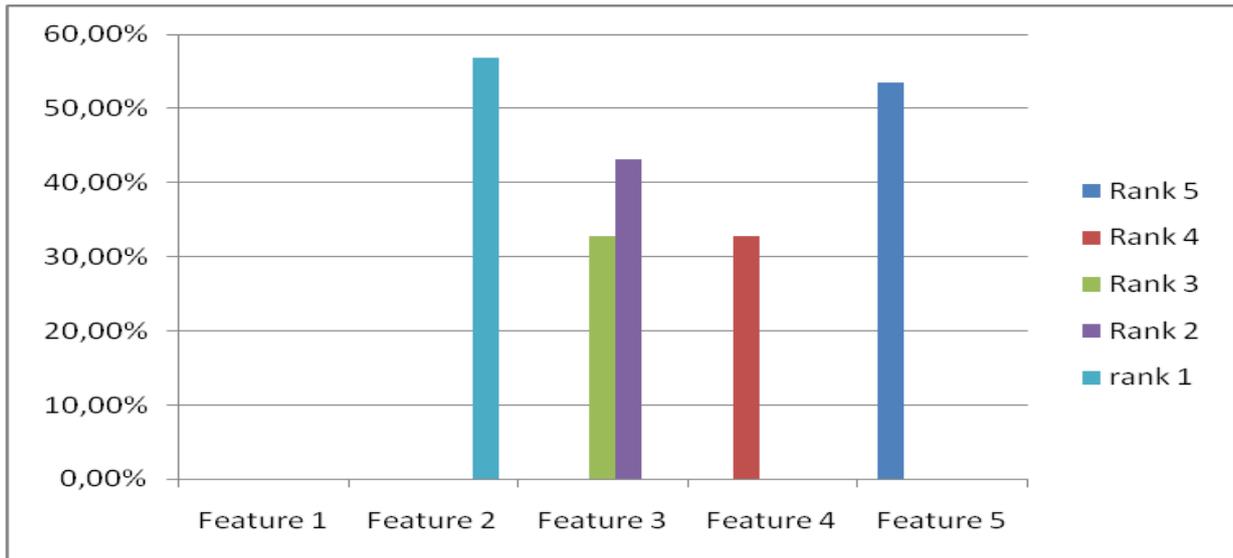
Diagram 4: Priority of each feature of customer expectations described in %.

Expectations: On the basis of our empirical data in table 5 (the raw data can be found in appendix 2, table 2) we can see that the customers are mostly concerned about the ability of Destination Gotland to perform the service accurately and dependably. The willingness to help customers and provide prompt service is also highly expected from the customers. They care less about the courtesy and the ability to convey trust and confidence and they also care less about individualized attention.
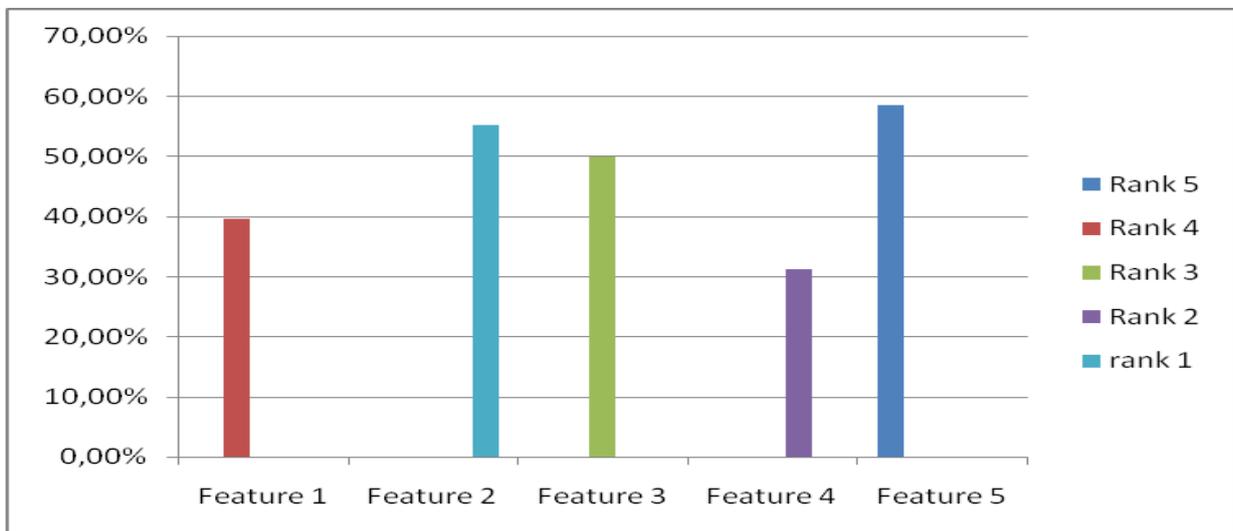
Diagram 5: Priority of each feature of customer perceptions

Perceptions: When it comes to perceptions we can see in our result (see also table 5 and appendix 2 in table 4) that people mostly perceived good ability to perform the service accurately and dependably. They also perceived courtesy of the Destination Gotland personnel and ability to convey trust and confidence. The customers perceived less willingness to help customers and provide a prompt service. Least perceived was the

appearance of the Destination Gotland Ferry's physical facilities, equipment, personnel and communication materials and caring, individualized attention.

When comparing the result from expectations and perceptions we can see that the ability to perform the promised service dependably and accurately is ranked as number 1 in both cases with only a very small difference in %, 56,90% compared with 55,17%. We can see that there is a bigger difference between the other features in ranking and percentage which means that there is a difference between what the customers expect and the perceived quality. In the second place when it comes to expectations we have the willingness to help and giving prompt service with 43, 10%. On the contrary the perceived quality about these factors is only ranked as number 3 of 50% of the respondents. This means that the expectations about Destination Gotland willingness help customers and give prompt service is higher than the perceived quality. This feature is also ranked as number 3 when it comes to perceptions but from less percentage (32, 76%). The customers have less expectations about the knowledge and courtesy of Destination Gotland personnel and their ability to convey trust and confidence, it is ranked as number 4 (32,76%) but this feature is ranked as number 2 when the respondents are giving their opinion about the perceived quality (31,3%). That means that the perceived quality is higher than the expectations when comparing the total number of respondents and their ranking. The appearance of the Destination Gotland ferries physical facilities, equipment, personnel and communication material is ranked as number 4 about perceived quality but people have less expectations and that shows that the perceived quality is higher than the expectations. The lowest priority is the caring, individualized attention Destination Gotland personnel provide to its customers and this feature has the lowest priority when it comes to both expectations and perceptions.

4.3 The difference between male and female expectations and perceptions

In the following two diagrams we present the difference between males and females when it comes to expectations and perceptions. Since we don't have the same amount of female and male respondents we randomly choose a specific amount (23 respondents of males and females) so that we could compare between the same amounts. We had 23 male respondents but more females so we had to reduce some females from the calculation in this part.
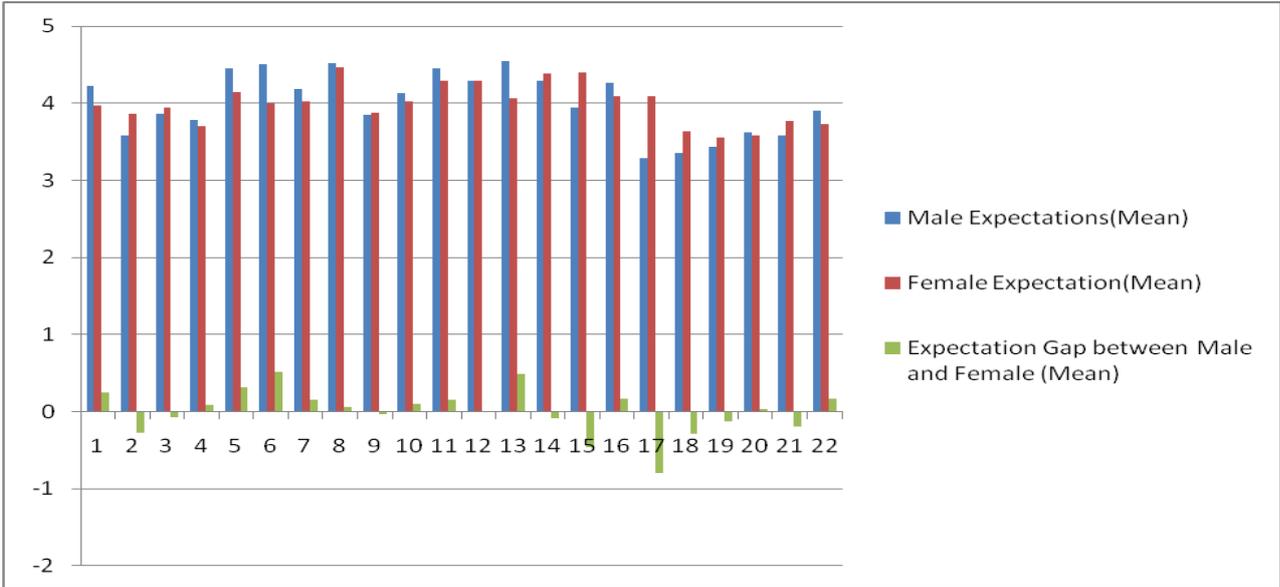
Diagram 6: The difference between male and female expectations

This diagram is showing the difference between male and female expectations. Both male and females have high expectations about receiving the service at the time that is promised. The biggest difference we can see about if the employees are never to busy to answer the wishes of the customers, female expectations are higher than the male expectations. The males have the lowest expectations about if the employees are never to busy to answer questions from customers. Females have their lowest expectations about if Destination Gotland gives personal attention. Over all we can see that the male expectations are higher than the female expectations.
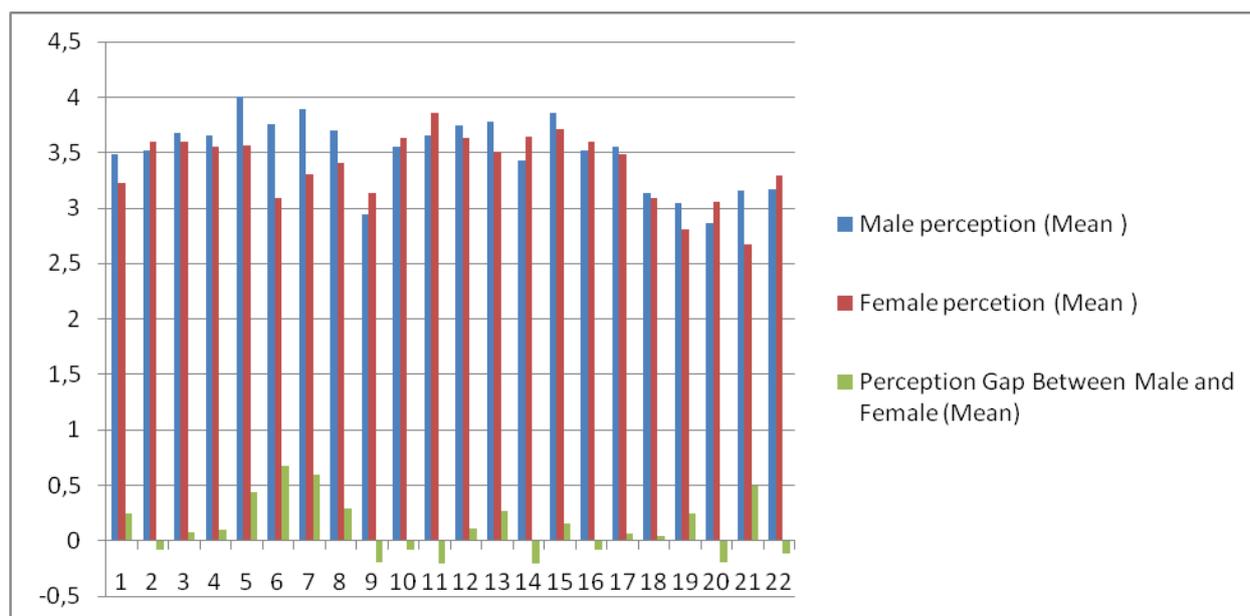
Diagram 7: The difference between male and female perceptions

This diagram is showing the perceptions of both males and females. The biggest difference between male and female perceptions we can see about if the employees of Destination Gotland show willingness to solve problems for customers when they occur. The male perceptions are higher then the female perceptions.

We can see that the males have their highest perceptions about the material that belongs to the service, for example brochures. They have the lowest perceptions about if Destination Gotland prioritizes the best of the customer. The females have their highest perceptions about feeling safe when making transactions to Destination Gotland. They have the lowest perceptions about if the employees of Destination Gotland understand the specific needs of the customer.
Also when it comes to perceived service quality we can see that the males give higher score then the females.

4.4 Customer expectation (results from feedback, question number 1.3 and 1.4).

Table 6 shows the amount and percentage of respondents that either feel or not feel that the service meets their expectations. The result in this part shows that 82, 76 % of the respondents think that the service quality meet their overall expectations. On the contrary the rest 17, 26% of the respondents do not think that the service quality meet their expectations. 12.09% specified what service they want to be fulfilled in order to be specified but 5.17% do not make any specifications about their opinions.

When it comes to give the opinion about what other expectations they have about the service quality 79.31% were not able to or chose not to answer but 20.69% of respondents specified their expectations.

Question no and detail		Respond and answer	Amount of respondent	% of respondent
1.3	Do you think the services provided by Destination Gotland meet your overall expectations?	Yes	48	82,76%
		No, with specification of "how" and "what"	7	12.09%
		No, without specification of "how" and "what"	3	5.17%
1.4	What are the other expectations you expect to receive from Destination Gotland	Respond	12	20.69%
		No respond	46	79.31%

Table 6: The result of customer feedback question no 1.3 and 1.4

Grönroos (1990) mention different kinds of expectations: Fuzzy expectations means that customers expect a service provider to solve a problem but they do not have a clear understanding of what could be done.

Explicit expectations are clear in the customer's minds already in beginning of the service process and they can be divided into realistic and unrealistic expectations.

Implicit expectations are elements of a service which are obvious to customers; they do not think consciously about them but take them for granted".

Explicit expectations can be fond in this case-study in question 1.3 and 1.4. Examples of explicit expectations that we can find in this case-study are as follows:

1. One respondent said that the seats could be more comfortable, the restaurant should have the menu also in English and they should also be more polite and give answers to questions of customers.
2. On other respondent said that the ability to follow the time schedule is really important for both departure and arrival.
3. More convenient schedule is expected from on other respondent.
4. One customer expect insurance if language is lost and also that the employees as well as other customers behave well.
5. On other respondent said that they should have strong priority about the security.
6. One respondent strongly expect that the restaurant should supply different kinds of food and they should provide more trips in one day.
7. One respondent expect better service when booking trips by the telephone. The respondent expects that if something is wrong they should help in the best way.
8. One more respondent expect that materials and signs should be in English also.

Those comments can be seen as guidelines about which expectations and perceptions the customers have and which areas where the service quality can be increased.

Likewise, 5.17% of the respondents said that they do not think that service quality meet their expectations but they are not able to specify in what way they want the service to be done. This can be called fuzzy expectations according to the definition by Ojasalo (in Grönroos, 1990). According to Ojasalo (in Grönroos, 1990) it is important that the service providing company help the customer with the fuzzy expectations in order to make them explicit. It is important for the company to understand the expectations of the customers and it is good if the company can provide guidelines to employees that meet the customers in order to train them to find out what needs and expectations the customer have. Implicit expectations are difficult to define because the customer is maybe not expressing those kinds of expectations (Grönroos, 1990). Johnston and Clark (2005) argue that they are also important to fulfill because they may be become explicit when they are not met or exceeded.

4.5 Summary of the result
- There is a gap (number 5) between the expectations and perceptions about the service quality which means that the customers are not fully satisfied with the service quality.
- The customers have the highest expectations about the knowledge and behavior of the personnel.
- The customers have the highest perceptions about the physical aspects.
- But on the direct question if they think that the service quality meets their expectations more than 80% of the respondents answer yes.

5. Conclusions

This part includes our own thinking about different patterns in the result. We connect the result to the research questions, aim and theory.

This case-study explores the service quality at Destination Gotland. 58 people that have been customers of the company were selected randomly in order to measure their expectations and perceptions. They were provided with a questionnaire which followed the SERVQUAL model that is developed by (Parasurman, 1990) and this model consist of 22 different service features which are grouped into 5 different dimensions: tangibles, reliability, assurance, responsiveness and empathy.

The respondents in this study were 39, 66 % males and 60, 34% females. The main respondents were in the age-group 20-30 years old, the smallest age –group (1,72%) where <20 years old. 48,28% of respondents have been travelling with Destination Gotland 5-7 times per year. 5,17% of the respondents have been travelling only 1 time per year. 20, 69% of the respondents have been travelling more than 10 times per year. In our case-study, the dimension that has the highest expectations is assurance that is related to the behaviour and knowledge of the employees and shows a top average score at 4,1 (±0,07) while we can find the highest perception average score at 3, 76 (±0, 05) in the tangible dimension that is related to physical aspects and appearance of the personnel. The result shows a total gap (number 5) at -0, 39.

As we could see from the analyzes of the separation between expectations and perceptions of males and females they differ within many features, both when you look at the lowest and highest expectations and perceptions. It is a natural cause that if the expectations are different the perceptions will also be different. But why are the expectations different between males and females? We think that there are some differences between the personality of males and females and that creates differences in expectations.

We ask the question about what expectations the customers have about service quality at Destination Gotland. The result shows that the customers have the highest expectations about knowledge, security and the ability to show the customers that it is secure to travel with this company. The answer was predictable, this is a ferry company and the most important service is therefore a safe and secure trip. When we compare with perceptions we can see that the customers perceive the highest quality among the tangible aspects. The tangible dimension has the second lowest expectations and we think that the reason behind this situation is that if the expectations are low it is easier to be surprised in a good way. From the overall result from the statements we can see that there are many gaps between expectations and perceptions which means that the service quality do not fully meet the expectations. The overall difference is not big which is positive for Destination Gotland.

Likewise we can see that there is a fall down from the expectations to the perceptions in several service features. The first dimension (tangibles) show a difference that is -0, 18, reliability shows a difference that is -0, 54, similarly assurance shows a difference that is -0, 47, responsiveness shows a difference that is -0, 26 and empathy shows a difference that is -0, 12. The highest difference we can find in the reliability dimension (reliability means dependable, accurate performance) and the assurance dimension (assurance means competence, courtesy, credibility, and security). This means that the customers do not think

that the company is reliable enough and the company should concentrate on improving service performance in those areas.

When it comes to the ranking we can see that the customers have the highest expectations and also the highest perceptions about the same feature. This feature is about the ability to perform the promised service dependably and accurately (feature number 2). The customers also have the lowest expectations and perceptions about the same feature. This feature is about if the company provides the customers with caring and individualized attention (feature number 5). That the customers have high expectations about that service will be performed dependably and accurately is also a predictable result because the most important aspect of the service is to get to the other side in a safe way, it is natural to have high expectations about this. We think that the reason for the customers to also have high perceptions about this feature is that the company has a good accident free background and because of the monopoly business the customers have no opportunity to compare with on other company.

We also think that the reason for the low expectations and perceptions about the personal and individualized attention is that there is no need for this if no special problem occurs. Those customers who have low perceptions about this feature maybe had some special problem and felt that they did not get the help they needed. It is difficult though to give personal attention to 1500 passengers and therefore the customers have low expectations.

Finally, results from the general question concerning if the service meet their expectations about the quality shows that 82, 76 % of the respondents says yes. This result is different from the result of the different features that shows that the perceived quality is lower in many perspectives than the expectations. One reason for this different result can be that if you ask the customers generally they don't think deeply but if you ask about details they are forced to think more.

5.1 Recommendations for further research

For further research we suggest that the researchers could do interviews to find out more details. During interviews it is possible to explain the questions and also ask follow up questions.

They could also use more respondents to make the research more statistical significant. They can use different respondents when asking about expectations and when asking about perceptions. It is also possible to analyze more details such as difference between different age groups.

6. References

Alexandris, K., Dimitriadis, N., & Markata, D, (2002), "Can perceptions of service quality predict behavioral intentions? An exploratory study in the hotel sector in Greece", *Managing Service Quality,* Volume 12(4), P. 224-232

Alvesson Mats & Sköldberg Kaj (1994), *Tolkning och reflektion – Vetenskapsfilosofi och kvalitativ metod*, Lund, Studentlitteratur

Andaleeb, S.S., Conway, C., 2006, "Customer satisfaction in the restaurant industry: An examination of the transaction-specific model", *Journal of Services Marketing,* Volume 20 (1), P. 3–11

Andreassen W Tor, 2001, "From disgust to delight: Do customer hold a grudge?", *Journal of service research,* Volume 4, P: 39-49

Baker, J and Cameron, M, 1996, "The effects of the service environment on affect and consumer perception of waiting time: an integrative review and research propositions", *Journal of the Academy of Marketing Science,* Volume 24 (4), P. 338–349

Baker, J, Parasuraman, A, Grewal D and Voss, GB, 2002, "The influence of multiple store environment cues on perceived merchandise value and patronage intentions", *Journal of Marketing*, Volume 66 (2), P. 120–141

Bitner, M.J, 1992, "Servicescapes: the impact of physical surroundings on customers and employees", *Journal of Marketing* , Volume 56 (2), P. 57–71

Bitner, M. J, (1990), "Evaluating service encounters: The effects of physical surroundings and employee responses", *Journal of Marketing*, Volume 54(2), P. 69-82.

Boshoff P and Leong J, 1998, "Empowerment, attribution and apologising as dimensions of service recovery", *International Journal of Service Industry Management,* Volume 9, p: 24-47

Bryman Alan & Bell Emma (2005), *Företagsekonomiska forskningsmetoder,* Malmö, Liber AB

Butcher Ken & Heffernan Troy, 2006, "Social regard: A link between waiting for service and service outcomes", *International Journal of Hospitality Management,* Volume 25, p: 34-53

Chang, J C., 2008, "Taiwanese Tourists' perceptions of Service Quality on Outbound Guided Package Tours: A Qualitative Examination of the SERVQUAL Dimensions" *Journal of Vacation Marketing,* Volume 15(2), P.164-178

Cottle, D, (1990), *Client-centered service: How to keep them coming back for more*, New York: Wiley

Cronin, J.J., Brady, M.K., Hult, G.T.M., 2000, "Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments", *Journal of Retailing,* Volume 76 (2), P. 193–218

Crosby Philip, 1979, *Quality is free*, McGraw-Hill, New York, Volume 17

Edvardsson, B., 1996,"Making Service Quality Improvement Work", *Managing Service Quality*, Volume 6(1), P. 49-52

Ekinci, Y., 2002, "A Review of Theoretical Debates on the Measurement of Service Quality: Implications for Hospitality Research", *Journal of Hospitality & Tourism Research*, Volume 26(3), P. 199-216

Eskildson, L. (1994), "Improving the odds of TQM's success", *Quality Progress*, Volume 27, P. 61–63

Fiore, A.M., Kim, J., 2007, "An integrative framework capturing experiential and utilitarian shopping experience*", International Journal of Retail and Distribution Management,* Volume 35 (6), P. 421–442

Fisher, C., 2007," Researching and Writing Dissertation: A Guild Book for Business Students", *Pearson Education Limited*, England, P.359

Gibson, H., 2005b, "Towards an understanding of 'why sport tourists do what they do", *Sport in Society Special Issue: Sport Tourism: Concepts and Theories,* Volume 8 (2), P: 198–217

Grönroos C, 1983, "Strategic management and marketing in the service sector", *Boston: Marketing Science Institute*, Chapter 4

Grönroos, C., 2007, "Service Management and Marketing: Customer Management in Service Competition", *3rd Edition, John Wiley & Sons Ltd.,* England, P. 483

Ha Jooyeon and SooCheong (Shawn) Jang, 2009, "Perceived justice in service recovery and behavioral intentions: The role of relationship quality*", International Journal of Hospitality Management,* Volume 28, P. 319–327

Jannadi, O. A. & Al-Saggaf, H, 2000, "Measurement of Quality in Saudi Arabian Service Industry", *International Journal of Quality and Reliability Management*, Volume 17(9), P. 949-965

Johnson, M. D., Anderson, E. W., & Fornell, C, (1995), "Rational and adaptive performance expectations in a customer satisfaction framework", *Journal of Consumer Research,* Volume 21(4), P. 695-707

Johnston, R. and Clark, G, 2005, *Service Operations Management*, 2nd ed., Prentice-Hall, Harlo

Kandampully, J., 2000, "The Impact of Demand Fluctuation on the Quality of Service: a Tourism Industry", *Managing Service Quality*, Volume 10(1), P.10-18

Koobgrabe, C., Abbas, H. R., and Chutima, P., 2008, "Customer Satisfaction Toward Truemove Customer Service", *International Marketing Master Thesis*, Retrieved March 2, 2009, from Mälardalen University Database

Kumra, R., 2008, *"Service Quality in Rural Tourism: A Perspective Approach". Conference on Tourism in India-Challenges Ahead, Idia,* P. 424-431

Lovelock Christoffer & Wirtz Jochen, 2007, *Service Marketing- People, Technology, Strategy*, Pearson Prentice Hall

Maxham J G, 2001, "Service recovery's influence on consumer satisfaction, positive word of mouth and purchase intentions", *Journal of Business Research,* Volume 54, P.11-24

Minor, M.S., Wagner, T., "Brewerton, F.J., Hausman, A., 2004, "Rock on! An elementary model of customer satisfaction with musical performance", *Journal of Services Marketing,* Volume 18 (1), P. 7–18

Oliver, R.L, 1997, *Satisfaction: A Behavioural Perspective on the Consumer*, McGraw-Hill, New York

Oliver RL, 1980, "A cognitive model of antecedents and consequences of satisfaction decisions", *Journal of marketing Research,* Volume 27, P. 460-469

Oliver RL, 1993, "A conceptual model of service quality and service satisfaction: Compatible goals, different concepts, *Advances in Service Marketing management,* Volume 2, P. 65-85

Oliver RL, Swan JE, 1989, "Equity and disconfirmation perceptions as influences on merchant and product satisfaction", *Journal of consumer research,* Volume 16, P. 372-383

Parasuraman, A., Zeithaml, V. A., & Berry, L. L, (1988), "SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality", *Journal of Retailing,* Volume 64(1), P. 12-40

Parasuraman, A., Zeithml, V. A. and Berry, L. L., 1990, "Delivering Quality Service: Balancing Customer Perception and Expectations", *The Free Press*, New York, P. 226

Parasuraman, A, Zeithml, V. A. and Berry, L. L, 1991, *"*Refinement and Reassessment of the SERVQUAL Scale", *Journal of Retailing*, Volume 67, P. 420-450

Parasuraman A, Zeithmal V.A and Berry L.L, 1985, "A conceptual model of service quality and its implications of future research", *Journal of Marketing,* Volume 4, P. 45-50

Pizam, A., & Ellis, T, (1999), "Customer satisfaction and its measurement in hospitality Enterprises", *International Journal of Contemporary Hospitality Management,* Volume 11(7), P. 326-339

Ramsaran-Fowdar, R.R., 2007, "Developing a service quality questionnaire for the hotel industry in Mauritius", *Journal of Vacation Marketing*, Volume 13(1), P. 19-17

Tam, J. A. M., 2005, "Examining the dynamics of consumer expectations in a Chinese context", *Journal of Business Research*, Volume 58, P.777-786

Taylor, S., Baker, T., 1994," An assessment of the relationship between service quality and customer satisfaction in the formation of consumers' purchase intentions", *Journal of Retailing,* Volume 70 (2), P.163–178

Tornow,W.W, Wiley, J.W, 1991, "Service quality and management practices: a look at employee attitude, customer satisfaction, and bottom-line consequence", *Human Resource Planning,* Volume 14 (2), P. 105–115

Vega Marco Gonzales and Garzia Javier Santamaria, 2008, "Measuring customer satisfaction in a service company combining approaches for quality service improvement", *Department of Terotechnology,* Växsjö

White, C., & Yu, Y. T, (2005), "Satisfaction emotions and consumer behavioural intentions", *Journal of Services Marketing,* Volume 19(6/7), P. 411-421

Wu, C.J., Liang, R.D., 2005,"The influences of service encounter factors on customer response in food service industry-from the viewpoint of dramaturgical theory", *Journal of Customer Satisfaction*, Volume 1 (2), P.183–216

Zeithaml, V. A., & Bitner, M. J, (2003), *Service marketing: Integrating customer focus across the firm* (3rd ed.). Boston, MA: McGraw-Hill/Irwin

Zeithaml, V.A., Parasuraman, A., Berry, L.L., 1990, *Delivering Quality Service*, The Free Press, New York

Zeithaml, V. A., 2009, "Service Quality, Profitability, and the Economic Worth of Customers: What We Know and What We Need to Learn", *Journal of Academy of Marketing Science*, Volume 28(1), P.67-85

Zeithaml V.A, Berry LL, Parasuraman A, 1993, "The nature and determinants of customer expectations of service", *Journal of the academy of Marketing Service,* Volume 21, P. 1-12

Zeithmal V.A, Berry L.L, Parasuraman A, 1988, "Communication and Control Processes in the Delivery of Service Quality", *Journal of Marketing,* Volume 52, P. 35-48

Zeithmal V.A and Bitner M J, 2000, *Services Marketing: Integrating Customer Focus across the firm,* McGraw-Hill, New York

Electronic references

Online: http://www.idrottenso.se/ (collected 100511)

Online: http://www.destinationgotland.se/dg/foretaget/Default.asp (collected 100511)

Appendix 1: Questionnaire

Part 1: Customer's Expectation

1.1 The following tables contain the feature that relate to your feelings about the service quality you expect from Destination Gotland. Please tick mark in each feature that is close to your view of service quality's expectation.

SL no	Features	Strongly disagree	Disagree	Moderate	Agree	Strongly agree	No opinion
1	I expect that Destination Gotland ferries have modern -looking equipment.						
2	I expect that Destination Gotland ferries are visually appealing.						
3	I expect that Destination Gotland employees appear neat.						
4	I expect that materials associated with the service (such as brochures or statement) are visually appealing at Destination Gotland.						
5	I expect that when Destination Gotland promises to do something by a certain time, it does so.						
6	I expect that when you have a problem, Destination Gotland shows a sincere interest in solving it.						
7	I expect that Destination Gotland performs service right the first time.						
8	I expect that Destination Gotland provides its services at the time it promise to do so.						
9	I expect that Destination Gotland insists on error-free record.						
10	I expect that the behavior of employees in Destination Gotland instills confidence in me.						
11	I expect that I feel safe in my transactions with Destination Gotland.						
12	I expect that employees at Destination Gotland are consistently courteous with me.						
13	I expect that employees at Destination Gotland have the knowledge to answer my questions.						
14	I expect that Destination Gotland keeps me Informed about when services will be performed.						
15	I expect that employees at Destination Gotland give me prompt service.						
16	I expect that employees at Destination Gotland are always willing to help me.						

17	I expect that employees at Destination Gotland are never too busy to respond to my request.						
18	I expect that Destination Gotland give me individual attention.						
19	I expect that Destination Gotland has employees who give me personal attention.						
20	I expect that Destination Gotland has my best interests at heart.						
21	I expect that employees at Destination Gotland understand my specific needs.						
22	I expect that Destination Gotland has operating hours that are convenient for me.						

1.2 Could you prioritize the five features below pertaining to Destination Gotland that is closest to your view of your expectations of the service quality? Rank from 1-5 where 1 is the most important feature.

Rank	Five features pertaining to Destination Gotland ferry company
	I expect that the appearance of the Destination Gotland ferries, physical facilities, equipment, personnel and communication materials is good.
	I expect that the Destination Gotland has ability to perform the promised service dependably and accurately.
	I expect that Destination Gotland has a willingness to help customers and provide a prompt service.
	I expect that Destination Gotland personnel have knowledge and courtesy and ability to convey trust and confidence.
	I expect that Destination Gotland provides its customers with caring and individualized attention.

1.3 Do you think the service provided by Destination Gotland meet your overall expectation?

Yes   No
☐   ☐

If your answer is "no", please specify "what" and "how" the service should be done? Your opinion!

1.4 What are the other expectations you expect to receive from Destination Gotland?
……
……

Part 2: Perceived Service Quality

The following tables contain the features relate to your feelings about the service quality offered by Destination Gotland. Please tick in each feature that is closet to your view of service quality's perception.

SL no	Features	Strongly disagree	Disagree	Moderate	Agree	Strongly agree	No
1	Destination Gotland ferries has modern looking equipment.						
2	Destination Gotland ferry is visually appealing.						
3	Destination Gotland employees appear neat.						
4	Materials associated with the service (such as brochures or statements) are visually appealing at Destination Gotland.						
5	When Destination Gotland promises to do something by a certain time it does so.						
6	When I have a problem Destination Gotland shows a sincere interest in solving it.						
7	Destination Gotland performs the service right the first time.						
8	Destination Gotland provides its service at the time it promises to do so.						
9	Destination Gotland insists on error-free records.						
10	The behaviour of employees in Destination Gotland instils confidence in me.						
11	I feel safe in my transactions with Destination Gotland.						
12	Employees at Destination Gotland are consistently courteous with me.						
13	Employees at Destination Gotland have the knowledge to answer my questions.						
14	Destination Gotland keeps me informed about when services will be performed.						
15	Employees at Destination Gotland give me prompt service.						
16	Employees at Destination Gotland are always willing to help me.						
17	Employees at Destination Gotland are never too busy to respond to my request.						
18	Destination Gotland gives me individual attention.						
19	Destination Gotland has employees who give me personal attention.						

20	Destination Gotland has my best interests at heart.						
21	Employees of Destination Gotland understand my specific needs.						
22	Destination Gotland has operating hours that are convenient to me.						

2.2 Could you prioritize the below five features pertaining to Destination Gotland that is closest to your view of your perception of the service quality.

Rank	Five features pertaining to Destination Gotland ferry company
	The appearance of the Destination Gotland Ferry's physical facilities, equipment, personnel and communication materials
	The Destination Gotland ability to perform the promised service dependably and accurately.
	The Destination Gotland willingness to help customers and provide a prompt service.
	The knowledge and courtesy of the Destination Gotland personnel and their ability to convey trust and confidence.
	The caring, individualized attention Destination Gotland personnel provide to its customers.

2.3 Please give your opinions about the overall service quality you receive and suggestions in terms of "how Destination Gotland can provide you with a better service".
……………………………………………………………………………………………………

2.4 Do you satisfy with overall service quality of Destination of Gotland?

Yes ☐   No ☐

Part 3: General information
Please tick in the box and fill the information

1. Gender: Male ☐   Female ☐

2. Age   :   Lower than 20 years old ☐   20-30 years old ☐
              31- 40 years old ☐   41-50 years old ☐
              More than 50 years old ☐

3. How often have you travelled with Destination Gotland… times.

Regards Therese and Kabir
Gotland University (MIM program)

Thank you for your help!

Appendix 2: Empirical data from questionnaires

The average expectations (on the scale from 0 to 5) of the proposed 22 feature of service quality as rated by 58 respondents were shown in table

Table 1: Descriptive Statistics of customers' Expectations of all respondents

Statement	Min	Max	Mean	Std
1. I expect that Destination Gotland ferries have modern - looking equipment.	2	5	4,28	0,74
2. I expect that Destination Gotland ferries are visually appealing.	1	5	3,68	1,01
3. I expect that Destination Gotland employees appear neat.	2	5	4,02	0,61
4. I expect that materials associated with the service (such as brochures or statement) are visually appealing at Destination Gotland.	1	5	3,98	0,93
5. I expect that when Destination Gotland promises to do something by a certain time, it does so.	1	5	4,207	0,942
6. I expect that when you have a problem, Destination Gotland shows a sincere interest in solving it.	1	5	4,24	1,08
7. I expect that Destination Gotland performs service right the first time.	1	5	4,1	1
8. I expect that Destination Gotland provides its services at the time it promise to do so.	1	5	4,38	0,75
9. I expect that Destination Gotland insists on error-free record	1	5	3,89	1,02
10. I expect that the behavior of employees in Destination Gotland instills confidence in me.	1	5	4,07	0,96
11. I expect that I feel safe in my transaction with Destination Gotland.	1	5	4,2	0,9
12. I expect that employees in Destination Gotland are consistently courteous with me.	1	5	4,121	0,948
13. I expect that employees in Destination Gotland have the knowledge to answer my questions.	1	5	4,339	0,786
14. I expect that Destination Gotland keeps me informed about when services will be performed.	1	5	4,3	0,8
15. I expect that employees in Destination Gotland give me prompt service.	1	5	4,052	0,839
16. I expect that employees in Destination Gotland are always willing to help me.	2	5	4,22	0,76
17. I expect that employees in Destination Gotland are never too busy to respond to my request.	1	5	3,5	1,09
18. I expect that Destination Gotland give me individual attention.	1	5	3,4	1
19. I expect that Destination Gotland give me individual attention.	1	5	4	1
20. I expect that Destination Gotland has my best interests at heart.	1	5	3,7	1

21. I expect that employees in Destination Gotland understand my specific needs.	1	5	3,6	0,9
22. I expect that Destination Gotland has operating hours that are convenient to me.	1	5	3,9	1,1

Table 2: Amount of respondents and percentage from prioritizing 1-5 were shown in

Priority of Customer Expectations	5	4	3	2	1	No op
1. I expect that the appearance of Destination Gotland ferries, physical facilities, equipment, personnel and communication is good.	22(37.93%)	10(17.24%)	15(25.86%)	3(5.17%)	8(13.80)	
2. I expect that the appearance of the Destination Gotland ability to perform the promised service dependably and accuracy	2(3.45%)	6(10.35%)	4(6.90%)	13(22.41%)	33(56.90%)	
3. I expect that the Destination Gotland willingness to help customers and provide a prompt service	1(1.72%)	7(12.07)	19(32.76%)	25(43.10%)	6(10.35%)	
4. I expect that the knowledge and courtesy of the Destination Gotland Ferry company personnel and their ability to convey trust and confidence	3(5.17%)	19(32.76%)	17(29.31%)	12(20.69%)	7(12.07%)	
5. I expect that the caring, individualized attention Destination Gotland ferry company provides its customers.	31(53.45%)	15(25.87%)	7(12.07%)	4(6.90%)	2(3.45%)	

Table 3: The average Perception (on the scale from 0 to 5) of the proposed 22 feature of service quality as rated by 58 respondents were shown in Table 2
Descriptive Statistics of customers' Perception of all respondents

Statement	Min	Max	Mean	Std
1. Destination Gotland ferries have modern looking equipment.	1	5	3,71	0,89
2.Destination Gotland ferries are visually appealing	2	5	3,778	0,786
3. Destination Gotland employees appear neat.	2	5	3,833	0,601
4. Materials associated with the service (such as brochures or statements) are visually appealing at Destination Gotland.	2	5	3,714	0,857
5. When Destination Gotland promises to do something by a certain time it does so.	1	5	3,78	0,94
6. When I have a problem Destination Gotland shows a sincere interest in solving it.	1	5	3,37	0,87
7. Destination Gotland performs the service right the first time.	3	5	3,6	0,65
8. Destination Gotland provides its service at the time it promises to do so.	1	5	4	0,8
9. Destination Gotland insists on error-free records.	1	5	3,09	0,95
10. The behaviour of employees at Destination Gotland instils confidence in me.	3	5	3,69	0,58
11. I feel safe in my transactions with Destination Gotland.	2	5	3,77	0,82
12. Employees at Destination Gotland are consistently courteous with me.	1	5	3,64	0,82
13. Employees Destination Gotland has the knowledge to answer my questions.	2	5	3,67	0,73
14. Destination Gotland keeps me informed about when services will be performed.	1	5	3,7	0,8
15. Employees at Destination Gotland give me prompt service.	2	5	3,83	0,7
16. Employees at Destination Gotland are always willing to help me.	2	5	3,67	0,54
17. Employees at Destination Gotland are never too busy to respond to my request.	1	5	3,52	0,75
18. Destination Gotland gives me individual attention.	1	5	3,43	1,01
19. Destination Gotland has employees who give me personal attention.	1	5	3,28	0,95
20. Destination Gotland has my best interests at heart.	1	5	3,34	1,02
21. Employees at Destination Gotland understand my specific needs.	2	5	3,15	0,88
22. Destination Gotland has operating hours that are convenient to me.	1	5	3,4	0,9

Table 4: Amount of respondents and percentage from prioritizing 1-5

Prioritizing from Customers' Perception	5	4	3	2	1	No op
The appearance of Destination Gotland ferries, physical facilities, equipment, personnel and communication materials is good	15(25.86%)	23(39.66%)	5(8.62%)	10(17.24%)	5(8.62%)	
The Destination Gotland ability to perform the promised service dependably and accurately.	6(10.35%)	4(6.90%)	5(8.62%)	11(18.97%)	32(55.17%)	
The Destination Gotland willingness to help customers and provide a prompt service.	1(1.72%)	6(10.35%)	29(50%)	17(29.31%)	5(8.62%)	
The knowledge and courtesy of the Destination Gotland personnel and their ability to convey trust and confidence.	2(3.45%)	17(29.31%)	13(22.41%)	18(31.3%)	8(13.80%)	
The caring, individualized attention Destination Gotland employees provide to the customers.	34(58.62%)	13(22.41%)	4(6.90%)	3(5.17%)	4(6.90%)	

Table 5: Expectation, perception and Differential score of this study

Statement No	Perceived (Mean &Std)		Expectation (Mean&Std)		Gap(Mean&Std)	
1	3,71	±0,89	4,28	±0,74	-0,57	±0,15
2	3,77	±0,78	3,68	±1,01	0,09	±0,22
3	3,83	±0,60	4,02	±0,61	-0,18	±0,009
4	3,71	±0,85	3,98	±0,93	-0,26	±0,07
5	3,78	±0,94	4,207	±0,94	-0,42	±0,002
6	3,37	±0,87	4,24	±1,08	-0,87	±0,21
7	3,6	±0,65	4,1	±1	-0,5	±0,35
8	4	±0,8	4,38	±0,75	-0,38	±0,05
9	3,09	±0,95	3,89	±1,02	-0,8	±0,07
10	3,69	±0,58	4,07	±0,96	-0,38	±0,38
11	3,77	±0,82	4,2	±0,9	-0,43	±0,08
12	3,64	±0,82	4,121	±0,94	-0,48	±0,13
13	3,67	±0,73	4,339	±0,78	-0,66	±0,06
14	3,7	±0,8	4,3	±0,8	-0,6	±0
15	3,83	±0,7	4,052	±0,83	-0,22	±0,14
16	3,67	±0,54	4,22	±0,76	-0,55	±0,22
17	3,52	±0,75	3,5	±1,09	0,02	±0,34
18	3,43	±1,01	3,4	±1	0,03	±0,01
19	3,28	±0,95	4	±1	-0,72	±0,05
20	3,34	±1,02	3,7	±1	-0,36	±0,02
21	3,15	±0,88	3,6	±0,9	-0,45	±0,02
22	3,4	±0,9	3,9	±1,1	-0,5	±0,2

Appendix 3: General information about Destination Gotland

According to the company webpage (www.destinationgotland.se, 100510). Destination Gotland is a ferry-company that provides the ferry transportation between Visby and Nynäshamn and between Visby and Oskarshamn. In the summer there is also one line to Grankullavik on Öland. Since 1998 they have a contract with the Swedish Government, through Rikstrafiken. Destination Gotland transports around 1.6 million passengers, 480 000 vehicles and 730,000 lane meters of freight per year to Gotland, and during high season the frequency is up to 16 departures per day. The trip between Visby and the mainland takes about 3 hours. The company has about 360 around the year employees and the main office is located in Visby. Destination Gotland is a daughter company of Rederi AB Gotland.

According to the webpage (www.destinationgotland.se, 100510) Destination Gotland follows the system of ISO-9001 and 14001 quality and environmental certificates and the company is working to reduce their negative impact on the environment.

Destination Gotland also (through ''idrottens ö'') provides travels and living packages in connection with sport happenings. It is cooperation with the Gotlandic sport organizations (http://www.idrottenso.se/, 100511).