Lecture-33
Providing Service Guarantees

Hello! there. Welcome to this session on services marketing with a practical approach. I am Dr. Biplab Datta.

(Refer Slide Time: 00:31)

Thank you for tuning into this lesson. Here we will discuss proving service guarantees that is unconditional service guarantee.

(Refer Slide Time: 00:42)

Unconditional Service Guarantee

Offering unconditional service guarantee ensures that customers are fully satisfied with what they receive from the service provider. Obviously, this forces the company to ensure that all the quality gaps mentioned earlier have been addressed, because, without that, the company would become liable to return money to the customer. Retail chains like Big Bazaar guarantee that if the customer finds the same product cheaper elsewhere, they would return the difference. Some educational institutes guarantee jobs within 90 days of completion of the course.

Offering unconditional service guarantee ensure that customers are fully satisfied with what they receive from the service provider. Obviously, this forces the company to ensure that all the quality gaps mentioned earlier have been addressed, because, without that, the company would become liable to return money to the customer. Retail chains like big bazaar guarantee that if the customer finds the same product cheaper elsewhere, they would return the difference. Some educational institutes guarantee jobs within 90 days of completion of the course.

(Refer Slide Time: 01:20)

Unconditional Service Guarantee

Here is an example of another form of service guarantee. One customer purchased a T-shirt from a store, took it to his residence, removed the tag and disposed it off along with all bills. The next day, he felt that the shirt would be somewhat short in size for his son, but he was reluctant to ask for a return as he had discarded all proof of purchase. However, when he requested to return the shirt for a bigger size, the purchased t-shirt was promptly taken back at the counter and the customer was requested to get another shirt of the right size. Needless to say, the customer was delighted with this service encounter and went about narrating the story to many others.

Here is an example of another form of service guarantee. One customer purchased a T-shirt from a store, took it to his residence, removed the tag and disposed it off along with all bills. The next day, he felt that the shirt would be somewhat short in size for his son, but he was reluctant to ask for a return as he had discarded all proof of purchase. However, when he requested to return the shirt for a bigger size, the purchased t-shirt was promptly taken back at the counter and the customer was requested to get another shirt of the right size.

Needless to say, the customer was delighted with this service encounter and went about narrating the story to many others.

(Refer Slide Time: 02:06)

Unconditional Service Guarantee

Many companies fear offering unconditional service guarantees, as they feel that customers might take advantage of the offer and cheat the company. Moreover, there might be several external conditions not under the control of the service provider. For instance, Dominos offers to deliver pizzas within 30 minutes, otherwise the pizza is free. However, they have to ensure that the customer location is such that traffic holdups do not affect their delivery and their delivery vehicles are in good shape.

Many companies fear offering unconditional service guarantees, as they feel that customers might take advantage of the offer and cheat the company. Moreover, there might be several external conditions not under the control of the service provider, For instance, Dominos offers to deliver pizzas within 30 minutes, otherwise the pizza is free. However, they have to ensure that the customer location is such that traffic holdups do not affect their delivery and their delivery vehicles are in good shape.

(Refer Slide Time: 02:36)

Unconditional Service Guarantee

What should be the features of a good unconditional service guarantee? Well, it should be easily understood and unambiguous. Customer should understand what to expect, and employees should be sure of what to give when the guarantee is invoked. The guarantee should fully cover the service failure, be easy to invoke and collect and should be such that the customer will be fully satisfied from the outcome of the guarantee. How can the above features be ensured? If we feel that customers should be engaged in designing the guarantee, we are correct. Like other features of the service, the guarantee must also be designed with inputs from customers, employees, managers, owners and other stakeholders of the company. An unconditional service guarantee, keeps customers fully assured of the quality of services of the company thereby enhancing its brand image. Customers are even willing to pay a higher price for a guaranteed service than one which does not have such assurance attached with it.

What should be the features of good unconditional service guarantee?. Well, it should be easily understood and unambiguous. Customer should understand what to expect, and employees should be sure of what to give when the guarantee is invoked. The guarantee should fully cover the service failure, be easy to invoke and collect and should be such that the customer will be fully satisfied from the outcome of the guarantee.

How can the above features be ensured?. If we feel that customer should be engaged in designing the guarantee, we are correct. Like other features of the service, the guarantee must also be designed with inputs from customers, employees, managers, owners and other stakeholders of the company. An unconditional service guarantee, keeps customers fully assured of the quality of services of the company thereby enhancing its brand image.

Customers are even willing to pay a higher price for a guaranteed service than one which does not have such assurance attached with it.

(Refer Slide Time: 03:43)

Features of a good unconditional service guarantee

- Easily understood and unambiguous.
- Customer should understand what to expect
- Employees should be sure of what to give when the guarantee is invoked.
- The guarantee should fully cover the service failure
- Easy to invoke and collect and should be such that the customer will be fully satisfied from the outcome of the guarantee.

How can the above features be ensured?

- Customers should be engaged in designing the guarantee
- The guarantee must also be designed with inputs from customers, employees, managers, owners and other stakeholders of the company.

An unconditional service guarantee, keeps customers fully assured of the quality of services of the company thereby enhancing its brand image. Customers are even willing to pay a higher price for a guaranteed service than one which does not have such assurance attached with it.

What are the features of good unconditional service guarantee. Good unconditional service guarantee is easily understood and unambiguous. The customer should understand what to expect. Employees should be sure of what to give when the guarantee is invoked. The guarantee should fully cover the service failure, easy to invoke and collect and should be such that the customer will be fully satisfied from the outcome of the guarantee.

How can the above features be ensured?. Customers should be engaged in designing the guarantee. The guarantee must also be designed with inputs from customers, employees, managers, owners and other stakeholders of the company. An unconditional service guarantee, keeps customers fully assured of the quality of the services of the company thereby enhancing its brand image. Customers are even willing to pay a higher price for a guaranteed service than one which does not have such assurance attached with it.

Thank you for watching this video. I hope it helps.