

**TOTAL QUALITY MANAGEMENT:  
“A CASE STUDY ON IMPACT OF TQM ON SERVICE  
MARKETING”**

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**Abstract:**

“A service is any act of performance that one party can offer to another party that is essentially Not tangible and will never result in the ownership of anything”. The service sector in India is growing at a very fast rate. In the present competitive business scenario, companies are offering a wide range of services to the customers and seeking to develop a reputation by superior performance in service delivery and customer satisfaction. Product and service quality, customer satisfaction and company profitability are well connected. In order to increase the customer satisfaction, companies are moving towards adopting total quality management principles. Total Quality Management (TQM) is an organization-wide approach for improving the quality of all the organization’s processes, products and services. Originally it was developed for manufacturing industry. Today, the service industry requires effective implementation of TQM process since services are given to consumers as soon as they are produced by the provider. The primary goal of this paper is to decide the applicability of total quality management in service marketing. This paper will allow the user to recognise what is service marketing and what is the need of total quality management in it? This paper is including various instances of service sector companies which are implementing or seeking to implement the notion of total quality management in their business. In the end, this paper will conclude the pros & cons of implementing TQM in service marketing. Total quality management is extremely necessary for the different organizations thus the issues which are directly or indirectly related with total quality management are included in this paper.

**Key words :** Quality, service, Management

## **Introduction:**

Today, the companies are operating in a highly competitive and very fastly changing world hence it has become very complicated for them to maintain a stable relationship with their customers without providing them desired quality and unremitting satisfaction. The Indian service sector is growing with a very fast speed as compared to agriculture and manufacturing sector and has a significant contribution in the nation's economy. Service sector covers education, banking, retail, insurance, healthcare, tourism, consultancy services, hospitality, etc. Typically, the output of the service sector is in the form of intangible goods. In recent years, the notion of service marketing has been evolved in accordance with the philosophy of customer orientation. The very fast development of service sector has led the companies to reap the crops of profitability by providing quality services to their customers. The notion of service marketing is not completely similar to the notion of product marketing. There are various factors such as intangibility, inseparability, perishability, heterogeneity, etc. makes service marketing different from product marketing.

## **Objectives**

DIMENSIONS OF QUALITY are Performance, Features, Reliability and Serviceability. All the dimensions mentioned here should be taken care of while dealing with total quality management of the Indian organizations.

Nowadays, customers are educated and aware enough to verify companies' claims and service quality. Product and service quality, customer satisfaction and company profitability are closely related with each other. In order to increase customer satisfaction, companies are moving towards adopting total quality management principles. Total Quality Management (TQM) is an organization-wide approach for improving the quality of all the organization's processes, products and services. Initially, it was developed for manufacturing industries. The approach of Total Quality Management seeks to improve quality and performance to meet continuously changing consumer requirements. The core notion of TQM is to achieve long-term success through customer satisfaction. There are various notions and tools such as control charts, flowcharts and fishbone diagram, which are directly applied to the service industry for monitoring service quality and to observe and analyse the root causes of specific problems. This paper is based on secondary data collected from various sources.

## **TQM and Service Marketing**

Total Quality Management is a management approach which is used for continuous improvement of quality and production processes. The very fast growth of Indian service sector and the level of competition in this sector are pushing the companies to use various quality improvement measures in order to increase consumer satisfaction. The foundation of service marketing is service quality since when the companies provide high quality services to the customers, it makes them loyal towards the company. The companies with poor quality find themselves unable to attract and retain their customers, irrespective of heavy advertising and promotional activities. According to Stanton, the service system has to integrate all the elements involving employees working for satisfying the varying needs of customers since services are intangible things that provide want satisfaction and need not be tied to the sale of any product or another service. Service marketing differs from traditional marketing of products on the basis of its unique features described as under:

**Intangibility:** This is one of the very important features of the services for any company working as a part of the services. Even though many services have various tangible part such as airline seat, restaurant table and food, etc., the service performance is intangible. Teaching is also a kind of intangible services. Pure services such as baby-sitting, consultancy services, legal advice, etc. are intangible and there is no way to inventory them or to display them. Due to such intangible qualities, customers find it complicated in analysing and comparing the services. Thus, it requires a quality service to be given to all the customers and not only to the potential customers.

**Inseparability:** In the act of service delivery, both the seller and the buyer need to be at the same place when the service occurs. For instance, at the time of haircut, the customer and the barber both need to be present at the same time. Thus the service indicates inseparability. A teacher needs to remain present whenever and wherever the teacher is teaching the student. Thus it is one of the very common features of the services for any company working as a part of the services.

**Perishability:** This is also a very important feature of the services for any organization working as a part of the services in any country. There is no scope for inventorying, warehousing or re-using the services due to their perishable nature. For instance, a teacher cannot store his knowledge on holiday and use it on various other days. Hence, the availability of service delivery at relevant time is very important. The knowledge always needs to be updated as far as the production is concerned and it is not perishable.

but here in case of services it is altogether different. Services are perishable so that once people buy a movie ticket and see the movie for three hours, the services finish after three hours.

**Heterogeneity:** Services are heterogeneous and in such case the service delivery and customer satisfaction depend on employee and customer action. The evaluation depends on the attitude, opinions and expectations of the customers. This is one of the very general and common characteristics of the services for any company working as a part of the services. Different customers have different needs and wants in the market, thus it is very important for a service provider to have the heterogeneity.

### **Applicability of TQM in Service Marketing**

In the present scenario, providing high quality services to the customer has become a strategic imperative for the companies. The techniques of TQM are found to be the most effective quality improvement techniques for the manufacturing sectors as well as service sector. Nowadays, most of the companies are seeking to gain competitive advantage with the help of TQM and it is accepted by many companies around the world as a management philosophy which includes a set of generic core principles. The eight building blocks are as following:

The notions of TQM can be applied to service marketing on the basis of various similarity of 7 Ps of service marketing and 5 Pillar of TQM. The seven Ps of service marketing covers all 4Ps of marketing mix and extends it with three more Ps. The seven Ps of service marketing are:

- Product
- Price
- Place
- Promotion
- People
- Process
- Physical Evidence

Service marketing takes all 4Ps of marketing mix and use an additional extended marketing mix with it to make it complete for service marketing. In addition to this, the five pillars of TQM also include two Ps of extended marketing mix, which are Process and People.

Each of above factor shown here is having the scope of higher and higher quality management. There is always a scope of research and development for different service marketing companies.

Products can be modified, prices can be changed, creativity can be added in promotion, relationships can be maintained with the people, process can also be improved.

### **Instance of Indian Service Sector Firm with TQM**

Taj Group of Hotels has implemented the notions of Total Quality Management in their business operations. Hotel Taj West End, Bangalore also performs TQM to get Malcolm Balridge Award established by the National Quality Council of UK. It has achieved JRD Quality Award in 1996. According to Murad Ali and Rajesh Kumar Shastri, TQM can be implemented in higher education also so that they can develop and provide more innovative and quality educational programs at lower cost. One of the biggest examples of the service marketing awards is the one won by Mumbai dabbawala i.e. six sigma award. No other large scale corporate organizations in India has ever won the highest quality award of six sigma.

### **Limitations**

Though the TQM is functionally an integration of total quality control and quality management, yet there are various complications in implementing TQM in service industry. The problem is that the quality of service cannot be defined with proper objectivity.

For instance a customer cannot say how many percent satisfaction he gets after eating a burger or after seeing a movie. So it is on the overall good or bad feelings rather than getting a perfect proper result.

In addition to this, the service industry has less control over the factors which can affect quality. The service sector is having more uncertainty as compared to the production since services cannot be stored and there is an involvement of customers also in the process of service delivery.

There is another complication of implementing the Total Quality Management in service marketing. It is related to the intangibility of services which makes the measurement of standard of service quality very complicated. Expectation about high quality services also varies from customer to customer which makes the implementation of TQM complicated in service marketing. This is because the preferences of the people change very very frequently do it is very difficult for the organizations to cope up with the higher and higher expectations which come out of different consumers.

### **Dealing with the Barriers of TQM Implementation**

There are certain barriers which make the implementation of TQM difficult, there are some ways to deal with these. These are as follows:

### **1. Commitment of top management and visionary leadership**

Many a times leaders are more profit oriented and not the quality oriented. Thus it becomes a tuff deal to maintain the higher quality. So better commitment of management is the way to give the highest quality of services.

### **2. Human Resource Management**

Managing the people in the most efficient way is the key to achieve higher quality of the services. The way in which the employees behave against the consumers is very important for the domain of Human Resource Management.

### **3. Technical systems (service process design and process management)**

Decreasing the queues and the time for the processing of the particular order of the customer on time can give a very good quality to the organization as a whole.

### **4. Information and analysis system**

Getting feedback and more information regarding the customers can help the organization to maintain and improve better quality of the management.

### **5. Benchmarking**

The standard set by the organization regarding various qualities given to the customers can keep the employees motivated for the better quality work.

## **Conclusion**

Total Quality Management has been widely applied in developed countries and now many companies of developing countries are also seeking to implement it. TQM is a very powerful technique to explore employee potential and creativity and improving service to clients and the society. Similar to the manufacturing sector, TQM also help the service marketing firms to continuously improve the quality of services given through the involvement of all levels and functional areas of management. The major driving force behind the implementation of TQM in service marketing is competitive pressures, customer expectations for quality and desire of cost reduction. Service marketing is generally labour intensive and the employees of service marketing firms come directly in contact to the customers. The essentials of quality service delivery are teamwork, cooperation and motivation. The service marketing firms can increase customer satisfaction if they can have friendly and courteous employees offering quality services to the customers. Thus, it can be derived that the implementation of various quality measures such as Total Quality Management are very helpful in the very fast development of customer satisfaction and organizational profitability in service marketing.