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Exploring added value through the service process: a comparative multiple case study

Exploring
added value

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Abstract

Purpose – The purpose of this paper is threefold: first, to evaluate how the service process of the market leader differs from the other actors' processes and whether the service process explains the success of the market leader; second, to identify the success factors of the service process; and third, to test and analyse how the mystery shopping method works as a measurement tool to evaluate the service processes, including the quality of such processes.

Design/methodology/approach – The case study focuses on the service processes of kitchen fitments. The paper is an explorative multiple case study. The results of the study are based on seven service processes of seven different kitchen fitment stores in Finland. The mystery shopping method has been utilised in an empirical data collection process.

Findings – The study revealed the most important factors in the service process that differentiate the market leader from the other operators. The results indicated that there are three main aspects highlighted in the market leader's service process. The results also reveal that mystery shopping is a workable tool for analysing service processes.

Practical implications – The study identifies the key factors that affect the success of the service process of kitchen fitments companies. By developing these factors, companies can increase service quality. The results also reveal that the mystery shopping method can be a workable tool to evaluate service processes.

Originality/value – The study reveals the most important factors in the service process that differentiate the market leader from the other operators. It can be stated that these factors also explain their success. Thus, the results of the study are applicable at least in companies which operate in the kitchen fitments industry. Furthermore, the results can be utilised to some extent in companies which are developing their service processes.

Keywords Performance measurement, Evaluation, Service operations, Benchmarking, Customer services quality, Added value, Service process, Kitchen fitments

Paper type Research paper

1. Introduction

The world economy has become mostly service-based, and consumers spend more on services than on tangible goods (Carrillat *et al.*, 2007). The role of the customer has changed from that of a mere customer to the multi-faceted role of a consumer (Carrillat *et al.*, 2007; Calabrese, 2011). According to Vargo *et al.* (2008), service systems co-create value and are dependent on each other's resources and resource integration. Participants bring along their own special capabilities to the service process, and value is generated when the combinations of these capabilities are exchanged. Above all, the service system approach emphasises customers' central role as the final estimators of value (Carrillat *et al.*, 2007; Vargo *et al.*, 2008).

Creating satisfied customers is the best and most important method for organisations to gain a competitive advantage. To deliver quality services to the customer, the provider needs to understand the customer's expectations (Kim and Kim, 2001; Fließ and Kleinaltenkamp, 2004). The service provider is dependent on the customer's information



regarding the requirements the service has to fulfil as well as where and how the service should take place or be used (Fließ and Kleinaltenkamp, 2004). The most essential goal of service development is to provide the best, most appropriate prerequisites for well-functioning customer processes and attractive customer outcomes. Customer service is a process that consists of actual steps to satisfy customer requirements. A good service description is one step in organisations gaining a competitive advantage by satisfying customer needs (Kim and Kim, 2001). The service description does not guarantee that the service will be successful, however. Bottlenecks and challenges have to be rationalised in order to ensure effective customer service. On the other hand, service organisations are faced with limited analytical and quantitative tools to systematically describe and analyse the service processes. Organisations have long gathered information on cost differences, products/services and new launches of other operators/competitors (Zairi, 1994; Tucker and Pitt, 2009).

The first aim of this paper is to evaluate the service process of kitchen fitments. The purpose of the paper is to analyse seven service processes and compare them to examine where the value is generated. The mystery shopping method was utilised for empirical data collection. The results of the analysis are based on the evaluation of how the service process of the market leader differs from the other actors' processes, whether the service process explains the success of the market leader and the success factors of the service process. This also supports the effort to achieve wider understanding of the service process of kitchen fitments, including its success factors and bottlenecks. In addition, the analysis and understanding of the service process creates a solid base for the measurement of the service process.

The second aim of the study is to test and analyse whether the mystery shopping method is appropriate as a measurement tool to evaluate the service processes, including the quality of such processes. The current measurement systems and single measures do not produce sufficiently broad information regarding the quality of service processes or how value is generated. The common approach to measuring the customer experience is the customer satisfaction survey, which is utilised by practically every organisation (Tucker and Pitt, 2009). As Tucker and Pitt (2009) and Jääskeläinen and Laihonon (2013) pointed out, a broader approach in developing a measurement is needed. Grönroos and Ojasalo (2004) reveal that there is a need for research on measuring and evaluating how effectively the service operation as a whole transforms all used input resources into customer value. In this study, the mystery shopping method has been tested to evaluate the quality of the service process that involves the service provider's resources and the customer's input, including output quantity and quality (see, e.g. Grönroos and Ojasalo, 2004).

The paper is divided into five sections. The next section is a literature review that summarises previous research on service processes, measurement of service processes and a mystery shopping method. The following section explains the methodology that was used in the data collection. Then, the findings are outlined. Next, the findings are discussed and compared against the theory. Finally, the paper offers conclusions as well as recommendations for practice and further research.

2. Literature review

2.1 Service process

A service-dominant logic has been highlighted in the marketing and service management literature, emphasising the need to understand what value customers

derive from services, as the value is perceived and determined by the customer (not by the service provider) on the basis of value in use (e.g. Vargo and Lusch, 2004, 2008). A more novel approach for value creation in services is a service system that is a configuration of resources (including people, information and technology) connected to other systems by value propositions (Maglio *et al.*, 2009; Spohrer *et al.*, 2007; Vargo *et al.*, 2008). Vargo *et al.* (2008) observe that value is created collaboratively in service systems that interact through mutual service exchange relationships, improving the adaptability and survivability of all service systems engaged in the exchange, by allowing integration of resources that are mutually beneficial.

The customer service process and customer service quality are key factors in the development of the service system and further competitiveness of the business (Grönroos and Ojasalo, 2004; Fließ and Kleinaltenkamp, 2004; Tucker and Pitt, 2009). For example, a service organisation that has for some time prioritised cost reduction and more efficient use of its production resources may soon see its customer satisfaction ratings go down. The main goal of service development is to provide the best, most appropriate prerequisites for well-functioning customer processes and attractive customer outcomes. Service processes require the participation of the customer, and without the customer, service processes cannot take place. The fact that the service provider is dependent on customer participation causes difficulties in managing the service process efficiently and effectively, because the customer's contribution can only be influenced by the provider to a certain extent (Fließ and Kleinaltenkamp, 2004). An organisation can be viewed as a set of processes that are structured to satisfy customers. To deliver quality services to customers, the service provider needs to understand their expectations (Shostack, 1984). Customer service can be defined as a process that consists of actual steps to satisfy customer requirements. To analyse customers' expectations and to design customer service, a customer service process model is needed. A service process includes the steps, tasks and mechanisms that are necessary for service delivery to occur (Geum *et al.*, 2009). The result of the service process is a customer outcome, i.e., the customer is either satisfied or dissatisfied with the service delivery experience (Mayer *et al.*, 2003). Customers participate in the service process continuously, selecting each service element and evaluating the selected service before finally judging the result of the service process by expressing their satisfaction or dissatisfaction. Customer participation is seen as an essential factor in the service process (Zeithaml and Bitner, 2000). Thus, it is evident that customer participation should be considered when analysing the service process, as it is critical in understanding and improving the service process.

2.2 *Measurement of service process*

Measurement of the service process has been seen as a significant challenge (Berry and Bendapudi, 2007; Grönroos and Ojasalo, 2004; Tucker and Pitt, 2009). Many of the service-specific performance measurement challenges are related to the intangibility, heterogeneity, inseparability and perishability characteristics of service (see, e.g. Gaster, 1996). However, the most common approach in customer-oriented measurement is the customer satisfaction survey utilised by practically every organisation (Tucker and Pitt, 2009). The measurement rarely genuinely captures the quality of the service process, outcomes or the value the customer perceives in a service. In order to effectively deliver customer expectations, it must be aligned with the "delivery mechanism" or organisation. Parasuraman (2004) contends that service quality fails when there is a gap between the customer's service expectations and perceptions.

Tucker and Pitt (2009) highlight that the customer performance process should be a two-way process, where the provider delivers a service to the customer and the customer feeds back satisfaction with the service delivered. The two levels of performance are service delivery performance (provider to customer) and customer satisfaction performance (customer to provider).

The service context carries with it certain implications for performance measurement; in other words, the role of service-specific features affects the structure of measurement. Amir (2014) note that performance measurement systems are designed and implemented in a way that matches the organisational objectives, rather than focusing on the uniqueness of the service business. The organisational approach does not capture the special nature of service processes, and thus oftentimes there is no connection between the measurement and the actual service processes (e.g. Chenhall, 2003; Jääskeläinen *et al.*, 2012). Hence, the measurement often focuses on the input resources, cost effects and output measures; as a result, the quality of services is forgotten. In addition, Jääskeläinen *et al.* (2012) conclude that generic contingency factors are also important factors to be acknowledged in the service context; furthermore, the choice of what to measure is always affected by the purpose of the measurement and the mission, strategy and objectives of an organisation. However, a number of essential service-specific contingency factors that affect performance measurement should also be taken into account (Jääskeläinen *et al.*, 2012); for example, the customer's involvement in service provision, the role of intangible inputs and varying level of demand.

Existing literature presents service quality dimensions related to customers' preferences (e.g. Parasuraman *et al.*, 1991; Grönroos, 2000) that should be taken into account in service process measurement development. Measuring these dimensions can help ensure the quality of the service process. Developing a service quality measurement and evaluation to measure the perception of quality is a very complex and tedious task because service quality dimensions cover many areas; therefore, it is not possible to cover all such dimensions. Grönroos (1988) identifies the following six widely accepted criteria of good perceived service quality:

- (1) professionalism and skill: customers see the service provider as knowledgeable and able to solve their problems in a professional way;
- (2) attitudes and behaviour: customers perceive a genuine, friendly concern for them and their problems;
- (3) access and flexibility: customers feel that they have easy, timely access and that the service provider is prepared to adjust to their needs;
- (4) reliability and trustworthiness: customers can trust the service provider to keep promises and act in their best interests;
- (5) recovery: customers know that immediate corrective action will be taken if anything goes wrong; and
- (6) reputation and credibility: customers believe that the brand image stands for good performance and accepted values.

Several previous studies (Zairi, 1994; Tucker and Pitt, 2009) highlighted that the use of benchmarking within customer service development can be highly effective. The role of benchmarking through the encouragement of understanding process behaviour ensures that knowledge is gained in various areas. The benchmarking process involves

both external and internal exercises. However, the only way to determine strengths and areas for improvement is through external benchmarking. Hence, the organisation first needs to know the industry/market standards against which it is competing. By competing against the best, the organisation is able to move towards the development of innovative processes to gain superiority in the market (Tucker and Pitt, 2009). Effective benchmarking must lead to strategic processes. Through external and internal benchmarking exercises, the organisation will be able to focus specifically on how the organisation is performing, what its strengths are and what it needs to improve. In order to accomplish this, a consultancy process is needed to work through each area of improvement and to determine strategic objectives to ensure service delivery (Zairi, 1994; Tucker and Pitt, 2009).

2.3 Mystery shopping as a method in the measurement of service processes

Mystery shopping, a form of participant observation, requires researchers to act as customers or potential customers to monitor the quality of the processes and procedures used in the delivery of a service (Wilson, 1998). There is a need for specific performance information due to the increasing emphasis that managers place on service performance and quality of service. Mystery shopping is a technique used to measure performance against pre-set quality standards. This gives the researcher a good idea of the customer's experience in that particular establishment. The data collected this way is often seen as free of errors as it is first-hand and does not rely on secondary accounts or self-reports. Furthermore, the researcher can see what the staff actually do, not what they would choose to do, say they would do, or are supposed to do (van der Wiele *et al.*, 2005; Wilson, 1998, 2001).

An important advantage of mystery shopping is the quality of the measurement. Mystery shopping is a useful instrument for obtaining an in-depth insight into the perceptions of potential customers. It adds value to customer satisfaction survey data. Mystery shopping can be used as an instrument to gather qualitative as well as quantitative information. However, Wilson (1998) pointed out that although mystery shopping is used quite extensively, there is very little research on how mystery shopping is undertaken and the steps taken by users and providers to ensure that a true measure of service performance is obtained. Unlike customer satisfaction surveys, the mystery shopping approach is used to measure processes rather than the outcomes of the service encounter. The emphasis is on the service experience as it unfolds, looking at which activities and procedures do or do not happen, rather than gathering opinions about the service experience. These traditional questionnaire surveys focus mainly on the mean values in relation to customer satisfaction. Changes over time in the mean values are quite often either minimal or cannot be explained by what the organisation is able to manage (van der Wiele *et al.*, 2005; Wilson, 1998, 2001).

The results of Wilson (1998) reveal that it is common for customer satisfaction levels to stay relatively static; therefore, these surveys do not provide a useful benchmark against which performance can be evaluated and developed. Wilson's (1998) results reveal that mystery shopping is used for the following three main purposes:

- (1) to act as a diagnostic tool for identifying failings and weak points in an organisation's service delivery;
- (2) to encourage, develop and motivate service personnel by linking with appraisal, training and reward mechanisms; and

- (3) to assess the competitiveness of an organisation's service provision by benchmarking it against the offering of others in an industry.

From an ethical perspective, the use of deception and observing people without their knowledge may violate their rights to privacy and freedom from exploitation. However, services are often performed in public settings where their delivery can usually be observed by members of the public other than the specific recipient of the services. Therefore, the mystery shopper does not see more than one would see in normal everyday life (Wilson, 1998).

3. Research design

This research is an explorative multiple case study in which the empirical data were collected by using the mystery shopping method. The results of the study are based on seven service processes of seven different kitchen fitment stores. The selected stores are all of the same size and are all located in Southern Finland. First, the results of the analysis are based on the evaluation of how the service process of the market leader differs from the other actors' processes, whether the service process explains the success of the market leader and the success factors of the service process. This also supports the effort to achieve wider understanding of the service process of kitchen fitments, including its success factors and bottlenecks. Second, the results evaluate how the mystery shopping method works as a measurement tool to measure and evaluate the service process.

The use of this kind of participant observation, where the researcher interacts with the subject(s) being observed, has its origins in the field of cultural anthropology (Wilson, 2001). In these methods, the researcher would take part in the daily life of the subjects of a study in order to understand the norms, attitudes and behaviours that were neither documented nor communicable via language. This kind of observation has some strengths as compared to interviews and survey research. Friedrichs and Lüdtke (1975) highlighted three of the weaknesses associated with these alternatives. First, there is often a discrepancy between real and reported behaviour. Occasionally, statements are made in interviews that are not in accordance with the factual behaviour of the interviewed persons. Second, facts may sometimes only be brought to light by means of natural settings. The interviewee may not be conscious of them, and they are, therefore, not easy to reveal through questioning. Third, the verbal capabilities of the interviewed person may also limit the quality and quantity of the information gathered (Friedrichs and Lüdtke, 1975).

In the service context, observational methods are able to provide information on the service experience as it unfolds (Wilson, 2001). In particular, participant observation helps to develop a richer knowledge of the experiential nature of services. The deception of service personnel into believing that they are serving a real customer can ensure that the experience being observed and measured is natural and not contrived for the sake of the observer (Wilson, 2001). van der Wiele *et al.* (2005) highlight that the mystery shoppers should be well trained and know the processes, and should therefore be able to measure the critical success and failure points. In this study, the researcher focused on the elements of the service process of the kitchen fitment stores determined beforehand. The researcher had a floor plan of her own home. This house was under construction, which made the situation more real and easier to execute. In addition, the researcher had several years of experience in the area of development and research in the kitchen fitments business. An overview of the case studies and the market shares of the companies are presented in Table I.

Case operators	Market share ^a 2010 (%)	2011 (%)	2012 (%)	2013 (%)
The market leader (Operator 1) is a traditional and well-known Finnish company with a long history in the kitchen business. This operator has 46 selling units around Finland. The products are always made-to-order products. Production is located in Finland. The market leader also has the highest prices	23.9	26.6	24.7	31.4
Operator 2 is a part of a stock exchange company listed on the Stockholm stock exchange. The operator has five trademarks and selling units located around Finland. The products are made-to-order products from four trademarks. Production is located in Finland	14.9	15.2	17.4	14.8
Operator 3 is a Finnish family business with 30 selling units. The products are always made-to-order products. Production is located in Finland	9.0	9.8	6.3	3.8
Operator 4 is also a Finnish family business with 17 selling units. The products are always made-to-order products. Production is located in Finland. The operator has three trademarks and they export abroad	6.4	5.2	7.5	7.7
Operator 5 is a well-known Swedish operator. The operator does not have planning services, and therefore the customer has to do the planning himself. The products are not assembled and they are stock items. The image of the product is low cost	5.6	5.6	7.0	10.3
Operator 6 is a Finnish operator with 25 selling units in Finland. Production is located in Finland	3.1	2.7	3.6	4.5
Operator 7 is a Finnish trademark with 13 selling units. The products are not assembled, and they are mainly stock items. The operator does not produce its own products; instead, the products are subcontracted	1.9	1.4	1.3	0.5

Notes: ^aOne-family house (Mistä talot on tehty-tutkimusraportti, 2010/2011/2012/2013)

Table I.
Overview of the
case studies and
market shares

A pre-interview of one selling manager from one case organisation revealed that the kitchen fitments selling process generally consists of three phases in Finland. As Figure 1 illustrates, the data collection process of this research is based on these three generally used phases of the selling process. The researcher visited each of the seven stores. The meetings took from 15 minutes to one hour and a half. The first phase was contacting the store. There are several channels for this, including via the internet, via e-mail, visiting the shop or making a phone call. In this research, the researcher visited the shop. The researcher's customer role was not as an active customer. The aim was to give more space to the seller to guide the customer forward in the process. The aim of this phase was to especially evaluate attitudes and behaviour, as well as access and flexibility. The second phase was a design meeting, where the customer presented a floor plan. In this meeting, the seller identified the customer's wishes and presented the materials and



Notes: Three-step selling process, number of visits and possible contact afterwards

Figure 1.
Data collection
process

door models. On the basis of this meeting, the customer selected the materials and doors for the kitchen. In this phase, the researcher had a floor plan of her own home. In every shop her wishes were the same with regard to materials, colours and domestic appliances. Comparability between the shops was ensured by keeping the kitchen plans the same. In this phase, the researcher particularly observed professionalism and skills, as well as attitudes and behaviour. In the third phase, the seller presented a plan and made possible changes. After that, the customer received an offer for the kitchen fitments. In this decision phase, the following professionalism skills were emphasised: how well the seller was able to read and listen to the customer, reliability and trustworthiness, and the reputation and credibility of the seller. The seller had to convince the customer that the offer was competitive, that the supplier was reliable, and that the kitchen would be high quality. After these phases, the customer made a decision either to buy the kitchen fitments or to reject the offer. In some processes, the seller contacted the customer after one week to ask if they had made a decision and discuss the offer. Two of seven sellers asked by e-mail, one made a phone call and three did not make contact.

The results of the study are based on the experiences and observations of the researcher, as well as the written offers of the stores. The main evaluation target point of the research was based on Grönroos' (1988) six service quality criteria: professionalism and skill; attitudes and behaviour; access and flexibility; reliability and trustworthiness; recovery; and reputation and credibility. After every appointment and meeting ($n = 21$ appointments), the experiences and observations were written down and organised according to Grönroos' six criteria. Based on this documented data, the results of the mystery shopping processes were analysed according to this general process with a cross-case analysis. The starting point for the analysis was how the service process of the market leader differed from the other actors' processes and whether the service process explained the success of the market leader even though this operator was also the most expensive of the operators. Cross-case analysis is a research method that facilitates the comparison of commonalities and differences in the events, activities and processes that serve as the units of analyses in case studies (Yin, 1981). Cross-case analysis enables case study researchers to delineate the combination of factors that may have contributed to the outcomes of the case; to seek or construct an explanation regarding why one case is different or the same as others; to make sense of puzzling or unique findings; or to further articulate the concepts, hypotheses or theories discovered or constructed from the original case (Yin, 1981). Cross-case analysis enhances researchers' capacities to understand how relationships may exist among discrete cases, accumulate knowledge from the original case and refine and develop concepts. The results of the cross-case analysis are presented in Table II.

4. Results of the study

4.1 How does the service process of the market leader differ from the other actors' processes?

Apart from two exceptions, all of the operators operate by utilising the general selling process, as was expected. Two of the case organisations are low-cost operators, and their service processes are fast and straightforward. In these service processes, the customer has high responsibility for assembly and transport. However, these operators' services were friendly and accessible. The customer feels that they have easy and timely access and that the service provider will satisfy their needs. The seller's contribution in the service processes was not as intensive as with the other operators, and the customer's own responsibility was highlighted.

Case	1st phase – appointment	2nd phase – design	3rd phase – offer
1	Agreeing on the planning time Brochures (ideas catalogue)	Specification mapping by active use of model kitchens to create an image Material selection, including a detailed presentation of mechanisms, functions and materials The seller emphasised that the product is domestic A very active seller	The seller presented a plan on paper and explained in great detail how the price is determined, as they are the most expensive producer in the market The seller emphasised again that the product is domestic The offer was partly hand-made, but clear (the seller presented it line by line) The seller was very active and “aggressive”
2	Agreeing on the planning time brochures (ideas catalogue) Request for an independent shop tour	Specification mapping by using model kitchens and door models Material selection focused only on colours, not mechanisms	Kitchen plan presentation by using a 3D programme, model kitchens and door models The offer was not presented in detail The offer was difficult to read
3	Agreeing on the planning time no active consideration of the client	Specification mapping and materials selection without any active use of a model kitchen or door models The seller was quite passive	kitchen plan presentation by using a 3D programme only The kitchen plan was not what was discussed before (a lot of changes) The offer was presented in detail
4	Agreeing on the planning time A brief presentation of the door models	Specification mapping and materials selection by using only materials which the customer was interested in the first time No use of model kitchens	Kitchen plan presentation by using a 3D programme only The seller presented selected door models The offer was presented in detail
5	The customer designs his own kitchen by using the planning programme The seller revises the plan before the customer picks up the products from the seller’s stock The customer gets the products immediately and makes a payment	n/a	n/a
6	Agreeing on the planning time No active consideration of the client	Specification mapping and materials selection; a very passive process The seller was quite passive and did not use any door models or model kitchens The customer had to be active to get information on the products	Kitchen plan presentation by using a 3D programme The offer was not reviewed in detail The offer was difficult to read
7	Presentation of door models Presentation of product (assembly) Specification mapping Materials selection Offer sent by e-mail	n/a	n/a

Table II.
The results of the case studies

With the exception of these two operators, the other operators have similar service processes; however, one of these operators is a clear market leader. It is thus interesting to explore the success factors of the market leader's service process compared with the others, including whether the service process can explain the success of the market leader (Table II). When analysing and comparing the service processes, a few factors emerged.

The results of the study reveal two main differences concerning the service process of the market leader and the other operators. First, at every stage of the service process, the market leader emphasised the domesticity of the product and the specific location of the factory in Finland. As a result, the customer got a clear sense of the source of the products. The other producers are also domestic, but when this is not mentioned, the customers do not have the opportunity to create a picture of the source of the products. However, domesticity is one of the most important competitive advantages when comparing the operators. Second, in the market leader's process, the door and drawer mechanisms and functions, removable cover plates, and door materials (e.g. paints) were presented very carefully. This gives the customer a picture of a high-quality product, where all the smallest details are taken into account. The competitors also have the same elements in their products, but they do not pay attention to this aspect. When the market leader has the ability to make all the smallest details visible, the other operators look weaker in relation to them. These results demonstrate to the customer that the service provider is a knowledgeable and professional seller which, in turn, can increase the customer's perception of the quality of the services and products that they sell.

Additionally, the market leader's offer was very clear and easy to read, whereas some of the competitors' offers were very hard to read, as they included multiple mixtures of lines and codes. As mentioned above, the market leader is commonly known as one of the most expensive producers. When the customer receives an offer, the market leader's salespeople very carefully explain the aspects affecting the price, such as high-quality mechanisms, cover plates and high-quality doors. They explain the formation of the price in detail, whereas the other operators, with the same mechanisms and cover plates, do not concentrate on doing so. This increased the transparency and trustworthiness of the service process from the customer's perspective. A kitchen is a highly expensive and time consuming investment for customers, and that is why it is important to convince the customer that they are making the right decision.

On the other hand, the seller of the market leader was very "aggressive". The seller pressured the customer to make the decision quickly and did not provide time to think. This had a negative effect on the service process because it made the customer feel uncomfortable. All of the market leader's competitors used a 3D programme to illustrate and help the customer visualise the kitchen. This programme helps the customer to see the kitchen from different perspectives and to recognise possible changes immediately. The market leader only uses printed pictures, which are not as complete as a 3D picture.

In some cases, the market leader's competitors had trouble keeping promises and demonstrating that they would act in their customers' best interests. For example, some sellers failed to send extra material via e-mail as promised or call to ask about the final purchase decision. This decreased the trustworthiness and brand image of the store. If the seller is unable to keep his or her promises during the offer phase, it inevitably causes the customer to question how well the seller would operate if anything went wrong or if some problems were to occur.

4.2 How does mystery shopping work as a measurement tool?

As a measurement tool, the mystery shopping method provides a broad and detailed description of the service process, including its bottlenecks and elements of success. In order to analyse these elements, the organisations can identify key development targets, such as developing the phases of the service process, clarifying the offer in general and training the sellers. Because the service processes and products of the different operators are mainly the same, the added value will be generated from the small details of the service process. The customer satisfaction survey gives an overall view of the services and helps us to see the main areas of weakness and success. However, the understanding of the actual success of the service process afforded by the customer satisfaction survey remains weak compared to the mystery shopping method. The results of the study reveal that the key development points that competitors should focus on include the following:

- clear argumentation; domesticity, long-term experience, conveying the value of the product by explaining the small details;
- clarity of offer; clear and unambiguous understanding; and
- uphold all promises made to the customer.

Based on the empirical evidence, while the mystery shopping method is time consuming, it is a rich method to collect empirical data from the service process. However, the use of this method requires sufficient knowledge of the business and service processes, and the evaluator/researcher should be objective and have clear evaluation targets.

5. Discussion

In this study, the mystery shopping method was utilised in order to clarify how the service process of the market leader differs from the competitors' service processes, what are the success factors of a service process, and whether the mystery shopping method can be used as a measurement tool. The findings are in line with the earlier studies, indicating that mystery shopping is an appropriate method when measuring a service process rather than the outcomes of the service encounter (van der Wiele *et al.*, 2005; Wilson, 1998, 2001). It has been presented (van der Wiele *et al.*, 2005; Wilson, 1998, 2001) that mystery shopping is a technique used to measure performance against pre-set quality standards. In the study, the three-step selling process (see Section 3), as well as the six criteria of good perceived service quality (Grönroos, 1988; see Section 2.2) were used as pre-set quality standards. This was considered as an appropriate approach focusing on the different steps of the selling process and the most important criteria simultaneously.

The study highlighted three out of six criteria (Grönroos, 1988) of good service quality that made a difference between the market leader and the competitors. The first criterion was reputation and credibility, i.e., customers believe that the brand image stands for good performance and accepted values (Grönroos, 1988). The market leader, for example, highlighted the domesticity and clarified the source of the product at every turn. The second criterion was professionalism and skill, i.e., customers see the service provider as knowledgeable and able to solve their problems in a professional way (Grönroos, 1988). In the market leader's process, the door and drawer mechanisms and functions, removable cover plates, and door materials were presented very carefully, demonstrating the quality of service, as well as the professionalism and skills of the sellers. The third

criterion was reliability and trustworthiness, i.e., customers can trust the service provider to keep promises and act in their best interests (Grönroos, 1988). For example, the offer of the market leader was clear and easy to read, whereas the competitors' offers were in some cases very hard to read, as they included multiple mixtures of lines and codes.

Tucker and Pitt (2009) suggest external benchmarking as the only way to determine strengths and areas for improvement, contending that the organisation first needs to know the industry/market standards against which it is competing. This study supports this statement by presenting the key development issues that were realised through the external benchmarking (see Section 4.2). In the study, the crucial point for the successful external benchmarking was the utilisation of the mystery shopping method. Since the surveys do not provide a useful benchmark against which performance can be evaluated and developed (Wilson, 1998), the mystery shopping method can be used as a diagnostic tool that provides a deeper understanding of the service process and the detailed development issues (cf. Wilson, 1998). Tucker and Pitt (2009) argue that by competing against the best, the organisation is able to move towards the development of innovative processes to gain superiority in the market. In this study, the service process of a market leader was compared against its competitors, and the development issues were found. When the development actions have been realised, there is a need for the business and financial measures to justify the long-term impacts of the mystery shopping method. This is a relevant topic for the future research.

As a summary, it can be stated that competing against the best through external benchmarking is needed for the development of service processes in order to gain superiority in the market. When the external benchmarking is focused on the service process, rather than outcomes, mystery shopping is an appropriate method to discover development issues. When measuring performance with the mystery shopping method, the measurement needs to be done against pre-set quality standards. Further, the study offers three criteria that kitchen fitment stores can emphasise in the development of their service processes: reputation and credibility; professionalism and skill; and reliability and trustworthiness. To justify the long-term impacts of mystery shopping and the following development actions, business and financial measures need to be established.

6. Conclusions

The study focused on the service processes of kitchen fitment stores and analysed the differences between the stores. Until now, this research area has not been investigated. However, it is essential to explore whether the differences in the service processes can explain the success of the trademark or the added value for both the customers and the company that owns the trademark. In the study, comparisons were made between the market leader and other companies. Because the set of products of the different trademarks are quite similar, and the market leader has the highest prices, it can be assumed that their service process may explain their success in the markets.

This study contributes to the theory of service management by presenting three criteria that can be highlighted in the development of a service process for the kitchen fitments industry. The first criterion in the service process that differentiates the market leader from the other operators was reputation and credibility. The market leader strongly emphasises that they are a domestic and long-time operator in this area. The second criterion was professionalism and skill, which the market leader promoted by taking into account even the smallest details when introducing their product.

By focusing on details, the customer can understand what she/he is buying, thereby enabling them to have a better perception of the quality of the product. This service process clearly demonstrates the value of the product by enabling a comparison of the elements of the product to one's own values regarding product quality, relative price and expectations. The third criterion was reliability and trustworthiness, which was manifested by the market leader with the very clear and informative offer in comparison to its competitors.

Further, it has been shown that customer perceptions of value represent a trade-off between quality, the benefits they receive from the product and the sacrifices they perceive in the product (e.g. Dodds, 1991). Even though the kitchen fitments of the market leader are more expensive than those of the other operators, they can illustrate the quality and benefits of the product very clearly. In the other cases, the link between the price and the quality is not so clear, and it is not easy for the customer to analyse the value of the product. It can be stated that these factors also explain the success of the market leader.

The empirical testing of the mystery shopping method reveals that it produces valuable and detailed information regarding service processes, including their qualities (e.g. availability, effectiveness and keeping promises to customers). In terms of theoretical implications, the mystery shopping method can be considered a workable method and measurement tool for benchmarking to obtain information on the examined phenomenon and on the development issues. It can be an especially useful tool for measuring and evaluating the service processes, rather than the outcomes of an organisation. However, the measurement needs to be done against pre-set quality standards. It also affords a deeper understanding of the stage of the services than do customer satisfaction surveys. From a practical perspective, the data helps to evaluate the key development needs and bottlenecks of the service process and to identify employees' training needs.

The results of the study are applicable in companies that operate in the kitchen fitments industry. Furthermore, the results can be utilised to some extent in companies that are developing their service processes. These results need to be interpreted within the limitations of the study, as the mystery shopping method was carried out only by one researcher, and there was only one store per operator under this evaluation. Further research can focus on the measurement of the results of the development actions that have been launched on the basis of the mystery shopping method.

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