

University of Groningen

Public service guarantees

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Document Version

Publisher's PDF, also known as Version of record

Publication date:

2018

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):

Thomassen, J. P. R. (2018). Public service guarantees: Exploring the design and implementation of service guarantees in public settings. [Groningen]: University of Groningen, SOM research school.

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Chapter 2.

Public service guarantee design: Results of a Delphi study⁶

⁶ I have conducted the research and written the chapter. Prof. C.T.B. Ahaus and Prof. S. Van de Walle were involved in designing the research, interpreting the results of the Delphi-rounds and reviewing and improving the chapter.

2.1. Introduction

One of the two important preconditions for an effective public service guarantee is that it is well designed (see section 1.3.). When working with service guarantees in the public sector I observed a large variation concerning this design. In order to get a first impression of this variation I reviewed 24 Dutch public service guarantees randomly selected from those published on the Burgerlink website (www.burgerlink.nl). The number of promises in a service guarantee varied from 5 to 86. Some guarantees had very specific promises, whereas others contained vague descriptions such as ‘the average waiting time will not exceed ten minutes’. In general, the promises referred to the communication channels available to customers (service counter, telephone, letter and e-mail) and the speed of service delivery. My impression was that it was mostly average response times being used rather than service levels based on customer expectations. In twelve of the service guarantees, customers were referred to the organisation’s complaint procedure or provided with a complaint card they could use to report a service guarantee violation. The majority of the guarantees did not mention any type of compensation, and when it was mentioned it tends to be in terms such as: an apology; an unspecified amount of money should a complaint have to be repeated three times; fifteen euro to a charity of the customer’s choice; or a ten euro voucher for flowers. In terms of their size, the documents varied from one page up to a 64 page brochure; some with a professional layout and design, others were simple text documents.

Overall, this shows clearly that there were no standards for the content of a public service guarantee. A literature review of public management journals shows that there are no research-based guidelines for the design of the content of a public service guarantee. This was the reason to conduct this first research for my dissertation. The research question for this chapter is: *What should be the characteristics of a public service guarantee?* These service guarantee characteristics describe the content of the three design elements of a service guarantee (scope, compensation and payout process; see section 1.3.). This chapter starts with the description of the results of a literature review on the types of service guarantees, the three design elements and their characteristics. I used both public administration and marketing and services management journals. Next, an overview of the research method used and participants that were involved is given. In the results section the outcome of three voting rounds from the Delphi study is presented. This chapter ends with the discussion.

2.2. Literature review

In order to answer this first research question I conducted a literature study. I searched for service guarantee literature using EBSCO Host with Business Source Premier and Academic Source Premier. Since different countries use different names for the concept, I searched for articles in peer-reviewed public administration journals using the search terms: 'service guarantee', 'public service charter', 'citizen's charter', 'patient's charter', 'consumer's charter', 'client charter', 'customer service plan', 'public service guarantee', 'service pledge' and 'performance pledge'. In the private sector, other terms are used for the same concept and I used the search terms: 'private service charter', 'service guarantee', 'service promise', 'unconditional guarantee', 'money back guarantee' and 'satisfaction guarantee'. This resulted in a list of 58 hits related to public service guarantees and 252 hits on private service guarantees. By systematically analysing the abstracts of these papers, seeking references to the content of service guarantees, I identified 24 potentially relevant papers on public guarantees and 31 on private guarantees. All of these were published in peer-reviewed English language journals with the exception of Fliess and Hogleve (2007) that was in a German based source. These papers were then analysed for service guarantee characteristics.

The analysis of the 24 relevant papers in public administration journals showed that little academic attention had been spent on the content of public service guarantees. A small number of papers had described design elements and service guarantee characteristics. Some of these compared the service guarantees of a number of organisations within a particular sector, for example of UK institutions of higher education (Aldridge and Rowley, 1998) or Spanish academic libraries (Pinto, 2008). These studies may be categorised as descriptive non-analytical studies. Two of the few empirical public studies dealing with this subject have been conducted within Spanish central government units acting as pioneer units (Torres, 2005) and Spanish local authorities (Torres, 2006). The latter research was based on interviews and questionnaires in which, among other issues, a number of service guarantee characteristics were investigated. The study results (Torres, 2006) conclude that Spanish public service guarantees were structured using three design elements: general and legal information, quality commitments (promises) and other information including procedures for complaint mechanisms.

Analysing the 31 papers published in marketing and services management journals showed that a relatively (compared with public management) large part of the papers were empirical

studies researching aspects of the content of a service guarantee. Based on their extensive literature review Hogreve and Gremler (2009) described 30 relevant studies. A structuring of the content they use (also e.g. Hocutt and Bowers, 2005; Berman and Mathur, 2014) is that of three design elements: the scope, the compensation and the payout process. These elements are the ‘chapters’ or ‘parts’ of the document and ‘refer to the information provided by the service guarantee as well as the method of communicating this information’ (Hogreve and Gremler, 2009 p. 325).

2.3. The scope

The scope is concerned with which aspects of the service delivery are guaranteed. Certain service levels, or even satisfaction, are translated into promises for customers. In this way it expresses the organisation’s willingness to engage in behaviours considered desirable by the organisation’s customers (Kashyap, 2001). The scope contains the organisation’s quality commitments and the promises, and represents the core design element of a service guarantee (Hogreve and Gremler, 2009). Promises provide information through which customers can know what to expect from the service and against which they will be able to complain if the promises are not met (Connolly *et al.*, 1994). These promises refer more to process quality than to technical quality (McGuire, 2002). Process quality reflects aspects such as speed and availability, whereas technical quality refers to the quality of tangible or intangible attributes.

Table 1. Four types of scope

Type of scope	Description
Single attribute-specific	One service attribute is guaranteed (e.g. speed of delivery, maximum waiting time)
Multi attribute-specific	Several service attributes are guaranteed
Unconditional satisfaction	The customer is guaranteed to be satisfied about the full service delivery, no specific aspects are mentioned
Combined guarantee	The customer is guaranteed to be satisfied about the full service delivery, in addition specific aspects of service delivery are mentioned

Concerning the scope, four different types of service guarantees can be identified (McDougall *et al.*, 1998, Wirtz and Kum, 2001). These are the single attribute-specific guarantee with one promise and the multi attribute-specific guarantee with several promises, the unconditional satisfaction guarantee and the combined guarantee. Table 1. presents definitions of these four types. An attribute-specific guarantee explicitly identifies what is covered and emphasises specific procedures for ultimately achieving customer satisfaction (Jin and He, 2012). Examples of single and multi attribute-specific service guarantees are respectively:

Pacini restaurants: service within 15 minutes or you receive a coupon for a free meal (Fabien, 1997).

Delta Dental Plan Guarantee of Service Excellence: Delta Dental Plan guarantees major areas of service in six specific guarantees. These are: minimum 10 percent savings of each policy year, no-hassle customer relations, quick processing of claims, smooth conversion, no balance billing of patients by participating dentists, accurate and quick turnaround of ID cards and management reports within 10 calendar days. For each guarantee a specific refund is defined in case it is violated (Raffio, 1992).

The third type is the unconditional satisfaction guarantee in which the customer is promised to be fully satisfied. An example is:

Hampton Inn Hotels: we guarantee high quality accommodations, friendly and efficient service, and clean, comfortable surroundings. If you are not completely satisfied, we don't expect you to pay (McCollough, 2010; Sowder, 1996).

The fourth type is the combined guarantee in which the wide scope of the unconditional satisfaction guarantee is combined with specific promises. An example is:

If you are not 100 percent satisfied with any element of our service, simply inform us and we will provide alternative tour arrangements for you within 12 hours and a 20 percent refund of the tour price. For example, you can invoke our guarantee, should you not find accommodation in centrally located first-class hotels of international standard, a wide variety of delicious meals, etc. (Wirtz and Kum, 2001).

Hart (1988) stated that only an unconditional satisfaction guarantee would be meaningful. It involves every aspect of the service relevant for customers and is a powerful and effective signal. Later research (McDougall *et al.*, 1998) has shown that customers prefer an attribute-specific guarantee rather than an unconditional satisfaction guarantee. This because it explicitly spells out what is being covered. Attribute-specific guarantees help customers make service failure verification processes more efficient by providing clear standards for identifying whether a failure has occurred (Meyer *et al.*, 2014). This could be the reason that service guarantees with a specific scope lead to greater market value (Meyer *et al.*, 2014). The

ambiguous coverage of an unconditional satisfaction guarantee weakens the signal provided by the guarantee. In these cases customers could have questions like: ‘What does satisfaction mean?’ and ‘Can I invoke a guarantee when I am dissatisfied, even if the failure does not lie with the service provider?’ (Wirtz and Kum, 2001). An unconditional satisfaction guarantee looks like a blank check for customers. Wirtz and Kum (2001) later present research that proves that a combined guarantee even outperforms the three other types of service guarantees on customers’ evaluations. It combines the wide scope of the unconditional satisfaction guarantee with the low uncertainty of a number of specific promises. Based on the literature review, I have identified ten distinct characteristics of the scope of a service guarantee (see also Table 2). The scope consists of promises, these are: easy to understand by customers⁷ (Björlin-Lidén and Edvardsson, 2003; Fabien, 1997; Hart 1988, 1993), easy to understand by employees, so they know what is expected of them (Fabien, 2005; Kandampully, 2001), useful to the customer (Hart, 1988; Wirtz, 1998), specific (Fabien, 2005), easy for the customer to test as to whether they are actually being met (Björlin-Lidén and Edvardsson, 2003; Fabien, 2005; Haque, 2005; Madell, 2005; Maher, 1992; Torres, 2006), focussed on the most important aspects for the customer of the service provision (Fabien, 2005; Steele, 1992; Taylor, 1999) and is limited in terms of their number (Björlin-Lidén and Edvardsson, 2003). Also, the scope covers full customer satisfaction (Fabien, 2005; Hart 1988, 1993; Wirtz, 1998), it follows the customers’ path (Aldridge and Rowley, 1998) and promises only refer to matters over which the organisation has complete control (Fabien, 2005).

2.4. The compensation

A service guarantee is in fact a set of two promises. The first is a promise to provide a certain level of service. The second is a promise to compensate the customer in a particular way if the first promise is not met (Hays and Hill, 2006). This compensation can be defined as ‘any action taken to acknowledge the fact that a mistake has been made’ (Kuuttiniemi and Virtanen, 1998). Compensation can be either monetary (e.g. free products/services, price reduction) or nonmonetary (e.g. an apology) (Hogreve and Gremler, 2009; Madell, 2005).

⁷ Although explicit communication in many service guarantee definitions is an important characteristic, several publications describe a fifth type of service guarantee: the implicit service guarantee (Björlin Lidén and Skalen, 2003; McCollough, 2010; Shin and Eilinger, 2013). This guarantee is not explicitly communicated to customers but used implicitly in service delivery (Kennett-Hensel *et al.*, 2012).

In marketing and services management literature compensation is seen as a standard design element of a service guarantee (Fabien, 2005; Hogleve and Gremler, 2009). However, public management papers on this subject are inconsistent in this respect. According to Björilin-Lidén and Edvardsson (2003), Kim (2009), Madell (2005) and Torres (2005), compensation should form an integral part of a public service guarantee. Barron and Scott (1992) claim that compensation is not desirable for services for which the customer makes no payment at the point of delivery because it is paid through taxpayers' money. An international inventory showed that making direct compensation payments to public customers are not a common practice of public organisations (Kuuttiniemi and Virtanen, 1998). However, it does happen in semi-public organisations, such as railway companies and public utilities including electricity and water companies (Lo Schiavo, 2000). Empirical research on compensation in public service guarantees is very scarce. The only information I found deals with the expectations of customers of a Swedish public transport company. This study, based on a survey, showed that customers prefer any compensation to be of limited financial value because public money is involved (Björilin-Lidén and Edvardsson, 2003).

Two dimensions of compensation are researched in marketing and services management literature: the type and the amount of compensation. The type of compensation can be in the form of free products and services, discounts or money back (Berman and Mathur, 2014). The amount of compensation can be over-benefiting the customer, equity or under benefiting the customer in the form of a token compensation (Hocutt and Bowers, 2005). Based on my literature review, I have identified five distinct characteristics of compensation (see also Table 2). Compensation is: granted to the customer if a promise has not been met (Björilin-Lidén and Edvardsson, 2003; Kim, 2009; Madell, 2005; Torres, 2005), considerable if promises are not met (Fabien, 2005; Hart, 1988), limited in terms of financial value (Björilin-Lidén and Edvardsson, 2003), only offered in the event of a direct economic loss by the customer (Mulcahy and Tritter, 1996) and only offered when a promise has not been met and the customer has directly paid for a service (Barron and Scott, 1992; Madell, 2005).

2.5. The payout process and other aspects

The payout process (process of invoking) is the way the customer receives compensation. The first dimension of the payout process being researched is who takes the initiative. Organisations use processes where the customer has to trigger the payout process by filling out forms, making complaints or claims (Meyer *et al.*, 2014; Crisafulli and Singh, 2016). For

example UPS Freight requires customers to request a refund if the delivery time is late. But these reactive and customer triggered processes have the potential to further anger already dissatisfied customers (Berman and Mathur, 2014). The best design of this process is when it is proactively triggered by the organisation and the compensation is proactively offered to customers (McColl and Mattsson, 2011). For example Domino's Pizza automatically gives customers a pizza voucher if the delivery time is over 30 minutes. The second dimension is the time of offering compensating, this can be on the spot when the failure occurs or delayed (Kim and Ulgado, 2012). Based on my literature review, I have identified four distinct characteristics of the payout process (see also Table 2). The payout process: consists of procedures for complaining and expressing dissatisfaction (Barron and Scott, 1992; Fabien, 2005; Lewis, 1993; Torres, 2005, 2006), consists of clear rules with respect to the applicability of the compensation scheme (Björilin-Lidén and Edvardsson, 2003), consists of a clear description available to customers on how to make use of the compensation process (Björilin-Lidén and Edvardsson, 2003; Fabien, 2005; Haque, 2005; Madell, 2005) and consists of an easy process for customers to make use of compensation (Ettore, 1994; Fabien, 2005; Fliess and Hogreve, 2007; Hart, 1988, 1993).

Finally, based on the literature review I added four additional characteristics ('other') that cover the communication of the service guarantee. These reflect 'the method of communicating this information' from the definition of design elements given by Hogreve and Gremler (2009, p. 325). A service guarantee: is limited to one page of content (Wehmeyer *et al.*, 1996), has content that is credible to the customer (Björilin-Lidén and Edvardsson, 2003; Wirtz, 1998; Wirtz *et al.*, 2000), treats all customers equally (Björilin-Lidén and Edvardsson, 2003; Madell, 2005) and contains juridical information on promises and/or compensation (Pinto, 2008; Torres, 2006).

Table 2. Design elements and characteristics

Scope, promises ...	
... are easy to understand by customers	Björölin-Lidén and Edvardsson, 2003; Fabien, 1997; Hart 1988, 1993
... are easy to understand by employees, so they know what is expected of them	Fabien, 2005; Kandampully, 2001
... are useful to the customer	Hart, 1988; Wirtz, 1998
... are specific	Fabien, 2005
... are easy for the customer to test as to whether they are actually being met	Björölin-Lidén and Edvardsson, 2003; Fabien, 2005; Haque, 2005; Madell, 2005; Maher, 1992; Torres, 2006
... follow the path of the customer	Aldridge and Rowley, 1998
... are focussed on the most important aspects for the customer of the service provision	Fabien, 2005; Steele, 1992; Taylor, 1999
... are limited in terms of their number	Björölin-Lidén and Edvardsson, 2003
... are not specific. The scope covers full customer satisfaction	Fabien, 2005; Hart 1988, 1993; Wirtz, 1998
... only refer to matters over which the organisation has complete control	Fabien, 2005
Compensation ...	
... is granted to the customer if a promise has not been met	Björölin-Lidén and Edvardsson, 2003; Kim, 2009; Madell, 2005; Torres, 2005
... is considerable if promises are not met	Fabien, 2005; Hart, 1988
... is limited in terms of financial value	Björölin-Lidén and Edvardsson, 2003
... is only offered in the event of a direct economic loss by the customer	Mulcahy and Tritter, 1996
... is only offered when a promise has not been met and the customer has directly paid for a service	Barron and Scott, 1992; Madell, 2005
The payout process ...	
... consists of procedures for complaining and expressing dissatisfaction	Barron and Scott, 1992; Fabien, 2005; Lewis, 1993; Torres, 2005, 2006
... consists of clear rules with respect to the applicability of the compensation scheme	Björölin-Lidén and Edvardsson, 2003
... consists of a clear description available to customers on how to make use of the compensation process	Björölin-Lidén and Edvardsson, 2003; Fabien, 2005; Haque, 2005; Madell, 2005
... consists of an easy process for customers to make use of in seeking compensation	Ettore, 1994; Fabien, 2005; Fliess and Hogreve, 2007; Hart, 1988, 1993
Other characteristics concerning communication, a service guarantee ...	
... is limited to one page of content	Wehmeyer <i>et al.</i> , 1996
... has content that is credible to the customer	Björölin-Lidén and Edvardsson, 2003; Wirtz, 1998; Wirtz <i>et al.</i> , 2000;
... treats all customers equally	Björölin-Lidén and Edvardsson, 2003; Madell, 2005
... contains juridical information on promises and/or compensation	Pinto, 2008; Torres, 2006

2.6. Research methodology and participants⁸

The research for this chapter consisted of three steps. The first step was the above described literature study. This resulted in a list with 23 potential service guarantee characteristics. The second step was a Delphi study with 37 experts⁹. The participants were not informed about who else was participating in the Delphi study. I conducted a conventional reactive ‘ranking-type’ Delphi study; the design team developed the first list of 23 enablers for the first round (McKenna, 1994). In three voting rounds the participants were asked to fill in digital

⁸ This is the same group of public service guarantee experts that has contributed to the Delphi study (step 2 of the research) presented in Chapter 5.

questionnaires to indicate for each characteristic to what extent they found that it was important. It was stressed that this judgement should not be influenced by the content of the service guarantee used in the organisation they were working for. I used a four-point Likert scale with response categories: unimportant, moderately important, important and very important (c.f. Linstone and Turoff, 2002; Minkman *et al.*, 2009). In all three rounds, the experts could reformulate the enablers and propose new ones. The research team analysed each round's results and determined the status of each characteristic. The cut-off points used were characteristics that 80 percent or more of the experts rated as 'important' or 'very important' were to be included, and those which at least half rated as 'unimportant' or only 'moderately important' were to be excluded (c.f. Minkman *et al.*, 2009). In the final round, any characteristic that failed to reach the 80 percent 'important' or 'very important' criterion was excluded. Next, the results were analysed and discussed by the research team. In the third step, the results were reviewed in an expert meeting in which seven of the experts participated.

To select the experts, I started with a list of all the contact people for public organisations participating in the 2008 and 2009 Dutch best service guarantee awards. These awards were organised by *Burgerlink*, a now dissolved governmental organisation that stimulated and coordinated the implementation of service guarantees in the Netherlands. Furthermore, this organisation provided me with a list of governmental policy advisors and commercial advisors/researchers with relevant expertise. All the people identified through these two routes were invited to participate in this study. Of the total of 65 experts approached, 37 (56.9%) agreed to help in the research and joined my 'expert group'. This provided me with a good coverage of available expertise. As Table 3 shows, most of the members of the expert group had experience with implementing service guarantees within a municipality; this is not surprising given that municipalities have implemented the majority of Dutch public service guarantees. Further, the vast majority of the participants were still actively involved with service guarantees, and had worked with service guarantees for at least one year, while nearly half of them had more than three years of experience.

Table 3. Breakdown of experts participating in the study

Category	Values	Number of participants
Total number of participants		37
Gender	Male	20
	Female	17
Sector experience with service guarantee	Municipality	23
	Public agency	4
	Healthcare	4
	Police	2
	Water Authority	1
	Other or several sectors	3
Experience	Implementation and use of service guarantee	24
	Policy advisor on a sector or national level	6
	Commercial consultancy and research on public service guarantees	2
	Various roles or other	5
Years of experience	0-1 years	4
	1-3 years	16
	3-5 years	9
	5 years and more	8
Still active with service guarantees	Yes	32
	No	5

2.7. Results

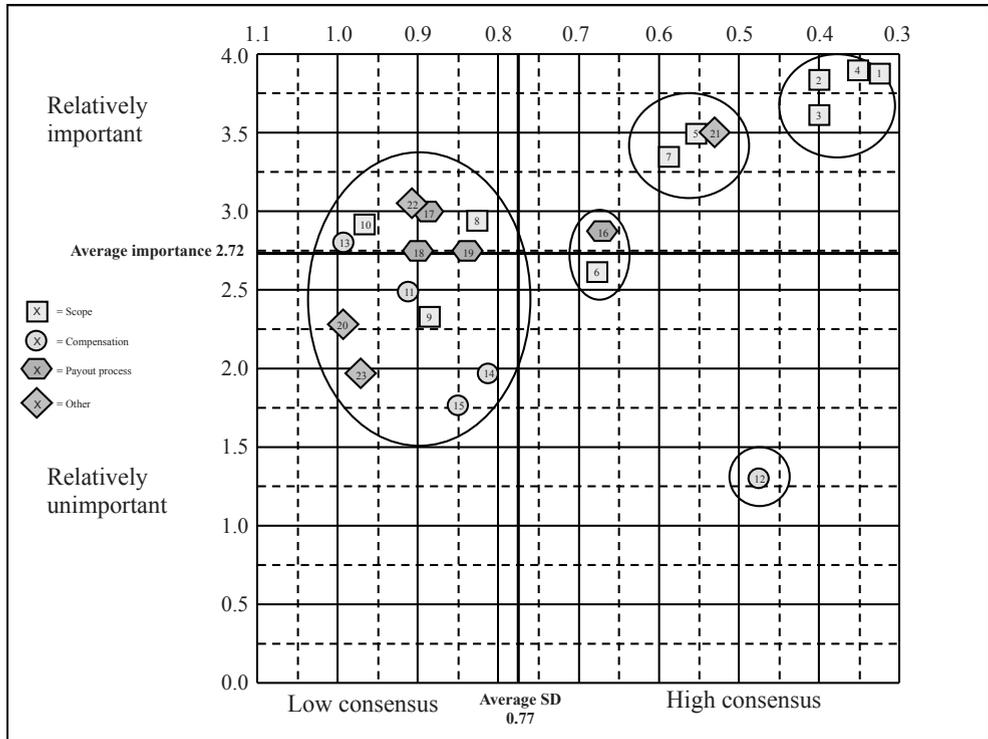
Table 4 presents the results of this Delphi study in terms of the average importance score and the degree of consensus (in the form of the standard deviation). Based on the 80 percent cut-off points only eight characteristics could be included, a total of 15 were excluded (see the last column of Table 4). The remarks made by the participants in addition to their scores in the voting lists plus remarks made during the expert meeting yielded valuable additional information. Thirteen of the participants made a total of 35 remarks and these textual additions provided valuable insights into the reasons for the responses.

Table 4. Importance and standard deviation per service guarantee characteristic of the three design elements 'scope', 'compensation', 'payout process' and four additional characteristics

		(1) unim- portant	(2) a little important	(3) impor- tant	(4) very impor- tant	Avera- ge score	SD	N	included (I)/ exclu- ded (E)
				Total all 23 items		2.72	0.77		
1	Promises are easy to understand by customers	-	-	4 10.8%	33 89.2%	3.89	0.32	37	I
2	Promises are easy to understand by employees	-	-	7 18.9%	30 81.1%	3.81	0.40	37	I
3	Promises are useful to the customer	-	-	14 40%	21 60%	3.60	0.40	35	I
4	Promises are specific	-	-	5 13.9%	31 86.1%	3.86	0.35	36	I
5	It is easy for the customer to test whether a promise is actually being met in his/her case	-	1 2.7%	17 45.9%	19 51.4%	3.49	0.56	37	I
6	Promises follow the path of the customer	2 5.7%	10 28.6%	21 60%	2 5.7%	2.66	0.68	35	E
7	Promises are focused at the most important aspects of the service provision for the customer	-	2 5.6%	21 58.3%	13 36.1%	3.31	0.58	36	I
8	The number of promises is limited	2 5.7%	7 20%	17 48.6%	9 25.7%	2.94	0.84	35	E
9	The customer is promised full satisfaction	7 21.2%	11 33.3%	13 39.4%	2 6.1%	2.30	0.88	33	E
10	Promises only refer to matters over which the organisation itself has complete control	3 8.3%	10 27.8%	12 33.3%	11 30.6%	2.86	0.96	36	E
				Scope total		3.27	0.60		
11	The customer is granted compensation if a promise has not been met	4 11.4%	17 48.6%	8 22.9%	6 17.1%	2.46	0.92	35	E
12	If promises are not met, a considerable compensation is granted	23 69.7%	10 30.3%	-	-	1.30	0.47	33	E
13	The compensation is limited in terms of financial value	5 13.9%	7 19.4%	15 41.7%	9 25%	2.78	0.99	36	E
14	Only in the case of a direct economic loss suffered by the customer a financial compensation will be offered	11 31.4%	15 42.9%	8 22.9%	1 2.9%	1.97	0.82	35	E
15	Only if the customer him/herself has paid directly for a service a financial compensation will be offered when a promise has not been met	17 45.9%	12 32.4%	7 18.9%	1 2.7%	1.78	0.85	37	E
				Compensation total		2.06	0.81		
16	Customers have the possibility to complain on instances where a promise has not been met, they can also express their satisfaction when things have gone smoothly (compliment)	-	11 29.7%	20 54.1%	6 16.2%	2.86	0.67	37	E
17	There are clear rules with respect to the applicability of the compensation	3 8.6%	4 11.4%	18 51.4%	10 28.6%	3.00	0.87	35	I
18	There is a clear description available to the customer on how to make use of the compensation	6 16.7%	2 5.6%	23 63.9%	5 13.9%	2.75	0.91	36	E
19	It is easy for the customer to make use of the compensation	5 13.9%	3 8.3%	24 66.7%	4 11.1%	2.75	0.84	36	E
				Payout process total		2.84	0.82		
20	The description of the service guarantee is limited to one page	9 25%	12 33.3%	10 27.8%	5 13.9%	2.31	1.00	36	E
21	The service guarantee's content is credible to the customer	-	1 2.7%	16 43.2%	20 54.1%	3.51	0.56	37	I
22	In the service guarantee all customers are treated equally	2 5.6%	7 19.4%	13 36.1%	14 38.9%	3.08	0.91	36	E
23	The service guarantee contains juridical information on promises and/or compensation	15 41.7%	9 25%	10 27.8%	2 5.6%	1.97	0.97	36	E
				Other total		2.72	0.86		

The results per characteristic (average score and SD) are also presented in a graphical way in Figure 1. The service guarantee characteristic statement numbers correspond with the numbers in Table 4. The X-axis of Figure 1 reflects the consensus, ranging from weak to strong, and the Y-axis reflects the importance of the service guarantee characteristic, from unimportant to very important. I now give an overview of the main results per design element.

Figure 1. Importance and consensus of the service guarantee characteristics



The scope (promises)

Concerning the scope, 6 from the 10 characteristics were included. The experts found the following to be important: Promises should be easy to understand by both the customers [characteristic 1] and the employees [2]. They should be useful for customers [3] and be focussed at the most important aspects of service provision for the customer [7]. They should be specifically formulated [4] so that customers can easily test whether a promise is met [5]. Characteristics that were excluded were the structuring of the promises along the path of the customer [6], the limitation of the number of promises [8] and the fact that promises only

should refer to matters over which the organisation itself has complete control [10]. A significant result is that almost half of the experts (54 percent) think that promising full satisfaction to customers is unimportant/of little importance. The type of the unconditional satisfaction guarantee does not seem to be suitable for the public domain.

The compensation

There were five characteristics concerning the compensation that were tested among the experts. None of these five had an 80 percent score and could be included. The tendency towards offering customers compensation seemed to be more negative than positive. Exactly 60 percent of the participants indicates that offering customers compensation after a violation is unimportant/of little importance, however 40 percent perceives this as (very) important [11]. The majority of the participants (67 percent) thinks that the amount of compensation should be limited [13] and 100 percent of the respondents think a considerable compensation is unimportant/of little importance [12]. This negative tendency towards compensation becomes also clear in characteristic [14]: only in the case of a direct economic loss suffered by the customer a financial compensation will be offered and [15] only if the customer him/herself has paid directly for a service a financial compensation will be offered. Also in these cases compensation should not be offered.

The payout process and other aspects

One of the four characteristics concerning the payout process was included. Experts agreed that there should be clear rules concerning invoking a compensation [17]. Three characteristics were excluded. The first is the possibility for customers to complain or express their satisfaction according to the realisation of the promises in the service guarantee [16]. Interestingly, only 70 percent think this is (very) important, so not reaching the 80 percent cut-off point. The same holds for the other two characteristics. Only 78 percent of the respondents think that having a clear description available of how to make use of the compensation is (very) important [18] and also 78 percent thinks that easiness to make use of the compensation is (very) important [19].

Concerning the other aspects, results show that only the fact that a service guarantee should be credible [21] could be included. The other three characteristics are excluded. Only 42 percent of the experts think that the limitation of the service guarantee to one page [20] is (very) important. Only 75 percent of the experts think that treating all customers equally in a

service guarantee [22] is (very) important. This percentage is even much lower (33 percent) for a service guarantee containing juridical information on promises and/or compensation [23].

2.8. Discussion

The aim of this research was to develop an overview of the characteristics of the content of a public service guarantee that contributes in increasing the customer centeredness of an organisation and the satisfaction of its customers. Concerning the scope, the results show that experts agree on six important characteristics. It should be a multi attribute-specific type with specific and easy to understand promises that reflect the most important service attributes for customers. This indicates that it is important for customers to be actively involved in the development of a public service guarantee. Concerning the compensation, the literature research found inconsistencies regarding whether compensation should be a design element of a public service guarantee. There is a gap between theory and practice: whereas a service guarantee in theory should prescribe compensation, in practice many public organisations do not offer any type of compensation. Also this empirical research has offered no clear design rules regarding compensation. The experts did not agree on all five characteristics related to compensation, nor those on the payout process (except that there should be clear rules for the payout process).

This inconsistency between experts concerning compensation could be explained by their differences in reference. The experts' comments in the questionnaire and their remarks in the follow-up expert meeting have suggested that experts use different objectives for using a service guarantee. It could be that the organisation's main objectives for using a service guarantee influence the importance of certain characteristics, especially those related to compensation. From the experts' remarks we could determine three main objectives: 'improving reputation', 'empowering customers' and 'improving customer centeredness and customer satisfaction'. Each of these three objectives has its own reference framework, and this may have an effect on the relevance of specific service guarantee characteristics. The first is 'improving reputation'. In some cases, the development and use of service guarantees may merely serve a cosmetic purpose: having a service guarantee demonstrates a modern image in terms of service delivery, and this can be an objective in itself (Kim, 2009; Torres, 2005). Some of the organisations and their representatives in our expert group considered this objective as actually contributing to service quality: having a service guarantee is considered

sufficient, even if the promises are no more than vague intentions with no firm guarantees. Here, neither the process available for invoking compensation nor any potential forms of effective communication is considered important. Such organisations restrict themselves to making the service guarantee available on the internet and/or disseminated through brochures. The second objective is: 'Empowering customers'. The objective is to inform customers, about their rights in the public service context, through which they are granted influence and additional power (Barron and Scott, 1992; Drewry, 2005; Falconer and Ross, 1999; Pollitt, 1994; Taylor, 1999). Organisations that pursue this objective may use various criteria and service guarantee characteristics in their design. In addition to including adequate promises, in the form of unconditional and specific guarantees, effective communication strategies and voice mechanisms are required to ensure that customers grasp the content. In this respect, the technical characteristics of the service guarantee have to satisfy certain requirements such as being concise so that the customer is able to adequately absorb the guarantee's content (Wehmeyer *et al.*, 1996). Here, the timing of communication is relevant, such as informing a customer of the guarantee's content just before or during their encounter with the organisation. Good timing avoids the service guarantee having little or no impact on the customer, as was shown in an evaluation of the Patient's Charter in the UK (Farrell, 1999). In that instance, the guarantee had little impact on the patients' experience largely because they did not know about it, and this was because it was not made available where customers might have wanted to use it. The third objective is: 'Improving customer centeredness and customer satisfaction'. This third objective is to concretely contribute to increasing the customer centeredness of the organisation and the satisfaction of its customers (Connolly *et al.*, 1994; De Uray-Ura and Pietroni, 1997; Haque, 1999; Ohemeng, 2010; Pinto, 2008; Thwaites and Williams, 2006). This amounts to a quality assurance strategy that offers a form of customer guarantee (McGuire, 2002). As such, it is not only crucial to have customer-oriented promises that provide solid guarantees to customers and to ensure that customers know about the service guarantee, it is also necessary to avoid organisational disengagement and to pressurise the organisation to live up to the guarantee's content in a consistent and structured manner. Service guarantees turn up the pressure and, as with a garden hose, leaks and failures then become more apparent (Hart, 1993; Wirtz, 1998). Customer centeredness can be improved by internally monitoring actual performance against the promises, and/or by actively acquiring feedback from customers, determining deviations and implementing improvements where necessary. With this objective, a complaints procedure, a compensation scheme and a clear payout process are all helpful. Offering compensation gives a strong internal signal that the

management is genuinely committed to upholding the promises. Having a compensation scheme supports the organisation's service recovery management (Wirtz, 1998) since, if the service guarantee is not met, customers will be more inclined to complain (Fabien, 2005).

My research showed that our experts assessed a number of service guarantee characteristics commonly used in marketing and services management literature as unimportant or even undesirable for public services. The majority of the experts agreed that the use of an unconditional satisfaction guarantee, as promoted by Hart (1988, 1993) is not desirable, a view that accords with the research of Björlin-Lidén and Edvardsson (2003), McDougall *et al.*, 1998 and Wirtz and Kum (2001). Some studies presented in marketing and services management journals (Fabien, 2005; Hart, 1988) attach considerable importance to a significant monetary compensation being offered if a promise is not met. This view is based on the argument that such a policy puts pressure on the organisation to implement its service guarantee with care, and to obtain a full understanding of its service processes and provisions (Fabien, 2005; Wirtz, 1998). Further, offering a substantial monetary compensation serves as an important internal stimulus to maintaining the implemented promises on a daily basis. Despite these arguments, the experts in my research agreed that a significant compensation was not relevant in a public service context. This could be caused by the fact that public organisations work with taxpayers' money, which is scarce. Moreover, companies often use guarantees to position themselves and to maintain good customer relations; these seem to be less important objectives in public organisations.

This Delphi study has been one of the first on the design of public service guarantees since the research by Torres (2005, 2006). I recognise that this study has several limitations. Firstly, it was conducted within a Dutch context and, to increase its external validity, a similar study needs to be executed in other countries. Further, the results are based on the opinions of experts. It would add value if also the expectations of customers on the content of public service guarantees would be determined. The relationship between the objectives of using a service guarantee and its design could be further investigated. Moreover, both the literature and the experts fail to provide an unambiguous view in terms of compensation. Follow-up research could clarify under what conditions compensation is desirable when the contents of a service guarantee are not met, and identify the best forms of compensation in a public context (in the next two chapters I have done so). In addition, whether the compensation should have a fixed or a situational form could be investigated. Situational compensation depends on the

consequences of the failure for the customer, the circumstances and a personal assessment by an employee (Thwaites and Williams, 2006). In this respect, if a failure in service delivery can be directly resolved and/or monetary compensation would not solve the customer's problem, then monetary compensation is not always expected by customers (Thwaites and Williams, 2006).

This research has contributed to academic knowledge on the content of public service guarantees. It has yielded a list of service guarantee characteristics that can be used by practitioners in developing new service guarantees or in evaluating existing ones. The research has further revealed that compensation is an ambiguous design element in a public service guarantee. As such, compensation is an important element for practitioners to address when developing a guarantee. Further, the actual objectives in developing and using a service guarantee could influence the appropriate design. That is, during the development process, the objectives of using a service guarantee should be discussed and clarified.