Service failures identification: The involvement of the interrelation effect in service practices

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Abstract

The emergence of new information technologies (IT) changed the way organizations carried out their

day-to-day operations. In view of the significant capital investments and expenditures with the IT

service, organizations were concerned about what the impact of investment will be on the performance.

Thus, drawing up a service failure recovery program with the consideration of cost-effectiveness was

the primary concern in order to maintain a sustainable competition. In response, the purpose of this

study was to develop a new decision-making model by integrating the Importance-Performance-Gap

model and DEMATEL approach to understand the customers' /managers' perceptions and clarify the

interrelationship on service practices to help identify the critical service failures. The study validated

the model by using data collected from an online tax declaration service in Taiwan. The results

indicated that considering interrelationship effects of service practices based on the managers'

perceptions was beneficial for extracting more critical service failures. Some practical implications from

the empirical case were also discussed.

Keyword: Service failures, Customer's /Manager's perception, interrelationship effect, DEMATEL