

SERVICE GAPS

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ABSTRACT

Service Gap Model concerns with enhancement of service quality. It provides a path to the retailers about closing the gap between customers' expectations and the perceived service. The model underlines the hindrances that usually hampers retailers' ability to satisfy customers. When customers' expectation are not matched with their perception about the service they received, it results in dissatisfaction and they form negative opinions about the service. Therefore it becomes important for the retailers to remove customers' negative thinking- gap between expectations and perceptions.

Key words: Service Quality, Closing The Gap, Expectations and Perceptions

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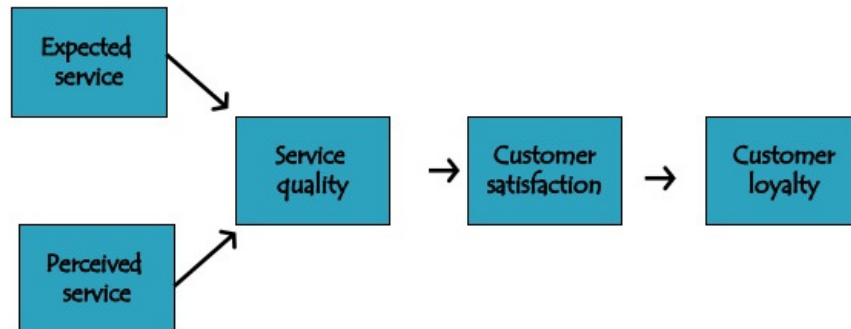
INTRODUCTION

Marketing of services in an effective way is a complicated process which calls for different strategies, skills and tasks. Unlike products, maintaining consistent quality of services becomes very difficult as services are rendered by people whose skills, knowledge, experience and expertise vary greatly from one another. Service marketers faced this problem for a long period of time about how to tackle this complex problem in a systematic manner. Merely designing effective quality management processes is not enough to achieve desired objectives. One of the ways seeing service marketing in a structured and integrated way is a model called “The Gaps Model of Service Quality” which was devised by Parasuraman, Zeithaml, and Berry in 1988. The model can be simply defined as an easy depiction of reality. It easily clarifies by including only those elements of reality that are of interest to the modelling.

SERVICE QUALITY

Quality can be defined as conformance to the requirements. American Society for Quality Control has defined quality as “Totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs.” It can also be defined as full satisfaction of customer requirements at the possible low cost.

Service quality can be defined as “How well a delivered service confirms to the client’s expectations.” Service providers often evaluate the service quality in order to improve their services, to quickly identify problems and to do better with further evaluation.

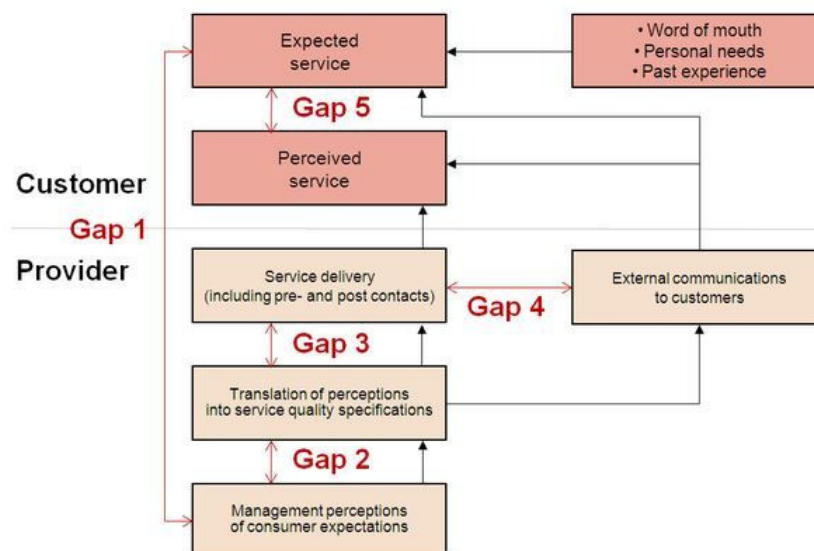


(Image Source: <http://www.slideshare.net/sahilgupta44/gaps-model-of-service-quality-31033693>)

THE GAPS MODEL

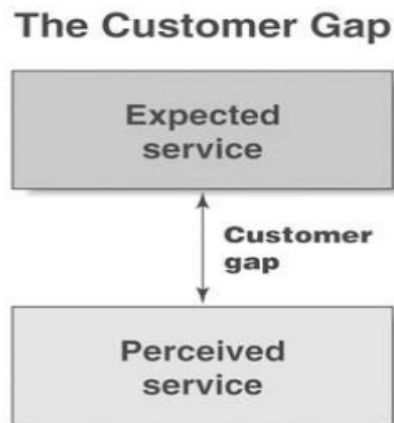
It is a helpful structure to understand the service quality in an organization. The gap model includes 5 gaps; of which one is a customer gap and four are provider’s gaps. The most important service quality gap is the customer gap – the contrast between customer expectations and perceptions. To narrow and possibly closing the gap between customers’ expectations and their perception is vital for delivery of quality service.

Gap Model of Service Quality



(Image source: <https://sidlaurea.com/2014/10/24/gaps-with-cultural-twist/>)

1. The Customer Gap



(Image Source: <http://www.slideshare.net/sahilgupta44/gaps-model-of-service-quality-31033693>)

1. Customer Gap - Gap 1

Customer satisfaction and customer focus are two main elements that every company who wants to succeed in the market, should keep in mind while offering services. A thorough understanding of what a customer actually wants is important for satisfying the customer. Customer expectations of a service become the standards or reference points against which he compares the service experience. He perceives the actual service received against these standards. His perceptions can be totally subjective in nature. Narrowing this gap as much as possible or closing it altogether, is vital in delivering a quality service. This gap forms the basis or starting point for the Gap Model.

The sources through which or because of which a customer develops expectations are:

- Market controlled factors like pricing, advertising or sales promises
- There are other factors on which the service provider has little control – inherent personal needs, word-of-mouth communications, what options customers have: competitors' offerings.

In an idealistic situation, expectations and perceptions should match. Customers would perceive that they have got exactly what they expected. However in reality, the gap is often there and at times there is a huge gap. The goal of service marketing should be to close the gap. This customer gap leads to losing customers, poor reputation of the organization, bad opinions about other services offered by the organization. Some marketing experts call this gap as GAP No.1 and some call it GAP No.5. So it better to name it as “The Customer Gap”.

Closing Gap 1: Learn what customers expect

Service providers should increase direct interactions with customers. They should continuously do research or complaint analysis or can form customer panels to maintain contacts. There should be improved upward communication from the frontline staff who directly come in contact with customers to the top management and the top management should speedily act on information and insights.

2. Provider Gap - 1 – Not knowing what customers want

It is the difference between what a customer expects from the service and what company understands what customer wants. An important reason that many companies are not able to fulfill customer expectations, is that they fail to understand the exact needs of the customers. Many reasons are there because of which companies are unable to understand customer's expectations. They are:

- Companies do not interact directly with the customers.
- Companies are unwilling to ask about expectations.
- Companies are unprepared to address the expectations.

When people who have authority and responsibility for designing services, do not fully understand customer service expectations, it leads to a spiral of reactions of making bad decisions and inappropriate allocation that customer forms poor perceptions about the service.



(Image Source: <http://www.slideshare.net/hisema/sm-7service-qualitygapsmodel>)

The key factors leading to the Provider GAP I

- Insufficient marketing research operation: Especially research which is not focused on service quality.
- Lack of upward communication: There may be lack of interaction between management and customers. They can also be insufficient communication between contact employees and managers. Or there can be also be too many layers between contact personnel and top management making timely decision making impossible.
- Insufficient relationship focus: Company has not segmented the market properly. Company's focus may be just on transactions rather than relationship. Company may be targeting making new customers and overlooking building relationship with existing customers.
- Inadequate service recovery: There may be no encouragement to listen to customer complaints. It can also be lethargy on part of company to make amendments when things go wrong. Or it may be absence of appropriate service recovery mechanism in case of service failure.

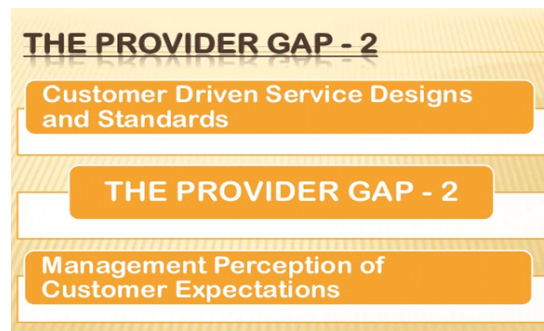
Closing Provider Gap- 1

The service provider should carry out a thorough market research which is focused on service quality. There should proper communication not only between management and customers, but also between contact employees and managers. As far as possible layers between the contact employees and those who design the services, should be kept to minimum whereby contact employees can directly give inputs while designing

services. Service provider shouldn't see the interaction as one money making transaction but should view it as a relationship that is to be preserved by knowing what customers exactly want. Service provider should listen to customer complaints and an effective service recovery mechanism should be in place in case things do not go as per plan.

3. Provider Gap-2 Not selecting the right service designs and standards: For giving quality service it is not sufficient

To understand customer expectations accurately is necessary for delivering quality service. But it is not the only necessity. Another necessity is availability of service designs and performance standards that display those accurate expectations. More often service providers face difficulty in converting customer expectations into service quality specifications that employees can understand and implement.



(Image Source: <http://www.slideshare.net/hisema/sm-7service-qualitygapsmodel>)

This is exactly Provider Gap-2, which is the dissimilarity between company's understandings about customer expectations and establishment of customer driven service designs and standards. Customer driven standards are not exactly the conventional performance standards that companies set up for service. Customer driven standards are based centrally on customer requirements that are visible and measured by customers. These standards of operations relate to customer expectations and priorities and not on company's concerns, e.g. productivity and efficiency.

The key factors leading to the Provider Gap-2 are:

- Poor Service Design:
 - Unmethodical and disorganized new service development process.
 - Unclear, undefined service designs.
 - Non-success in connecting service design to service positioning.
- Absence of customer driven standards:
 - Absence of customer driven service standards.
 - Lack of process management to target customer requirements.
 - Dearth of formal process in setting service quality goals.
- Inappropriate physical evidence and servicescape
 - Inability in building tangibles according to customer expectations.
 - Servicescape (the impact of the physical environment in which a service process takes place) design that fail to meet customers' and employees' needs.
 - Insufficient maintenance and upgrading of the servicescape.

Closing Provider Gap -2

It is important for that top management shows consistent commitment to quality from the customers' point of view. Middle management should be involved in setting, communicating and re-enforcing customer oriented service standards for their work units. Managers must be trained in the skills those are needed to lead the employees in delivering the service quality. Top management must be receptive in adopting new ways of doing business that surpass the barriers in delivering quality service. It is essential that clear service quality goals that are challenging, realistic and explicitly designed for meeting customer expectations. Repetitive task should be standardized to ensure consistency and reliability by replacing hard technology for human contact and improving work methods i.e soft technology. Employees should be clearly briefed about the task those have highest impact on quality and should be given top priority.

4. Provider Gap 3- Not Delivering to Service Designs and Standards



(Image Source: <http://www.slideshare.net/hisema/sm-7service-qualitygapsmodel>)

Once service designs and standards are put in place it would appear that the company is perfectly positioned for delivering high quality standards. Although this assumption is true, it is still not sufficient to deliver excellent service. The service provider should have systems, processes and people ready to make it sure that service delivery matches and even exceeds the designs and standards those are set up.

Provider Gap 3 is the result of disparity between customer driven standards those are established and the actual service performance by the employees. Establishment of guidelines for service delivery for treating customers correctly and well can not ensure high quality service performance.

Standards must be supported appropriate resources i.e. people, systems and technology and must be employed effectively. Performance of employees must be measured and compensated according to their performance according to standards set. Although standards are correctly set according to customer expectations, if the company fails to support those standards, entire exercise would be futile. If the company fails to facilitate, encourage for the achievement of standards, it will fall short of what customers expect. For closing the Provider Gap 3, company should make all the resources available for the achievement of the standards.

Key Factors Leading to the Provider Gap-3

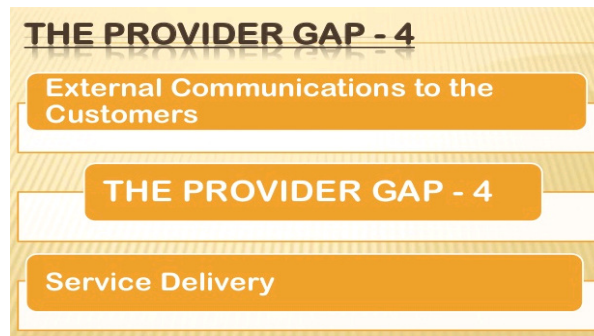
- Problems with Human Resource Policies:
 - Faulty Recruitment
 - Role conflict and Role ambiguity
 - Poor fit among employee, technology and job
 - Lack of teamwork, empowerment and perceived control
- **Customers who do not fulfil roles:** Even customers are expected to play their part in service delivery process.
 - Customers do not have knowledge of their roles and responsibilities.
 - Customers affect each other negatively.
- Problems with service intermediaries:
 - Contradictor objectives followed by performance by the intermediaries
 - Problems in controlling service quality and consistency
 - Problems in how much power and control to be given intermediaries
- Failure to match supply and demand:
 - Failures to adopt according to peaks and valleys of demand
 - Wrong customer mix or marketing mix
 - Too much of reliance on price to smooth the demand.

Closing Provider Gap 3

Employees' should be told their roles in unequivocal terms. They should be clearly explained how their job contributes to customer satisfaction. The selection of the employees should be carefully done looking at the abilities and skills those are required to perform the job successfully. The selected employees should be given proper technical training. Companies should find out innovative recruitment and retention methods to attract best talent and retain them. Employees' performance can be improved with the selection of appropriate and reliable technology and equipment. Employees should be given training in interpersonal skills, handling customers under stressful conditions, as well as in time management. A meaningful, simple and performance based reward system should be developed for motivating and rewarding best performers.

5. Provider Gap -4: Not Matching Performance to Promises

This gap represents the difference between what gets actually delivered by the service provider and what he communicates externally about the service. External communication comprises of advertising, sales force and other communication forms that increase customer expectations which eventually become service standards against which customer compares actual service received by him. The difference between actual and promised service have negative impact on image of the service provider.



(Image Source: <http://www.slideshare.net/hisema/sm-7service-qualitygapsmodel>)

Promises by service provider may not be fulfilled on account of following reasons

- Over promising or false promising in advertisements or through sales force.
- Lack of coordination between operations and marketing.
- Variations in policies and procedures across service outlets.

Plus, unnecessary increased expectations because of exaggerated promises are part of faulty external communication influences customers assessment about service quality. Service providers more often fail to educate customers about how to properly use services. They also fail to manage customer expectations about what will be offered in service transactions and relationships.

Key factors leading to the Provider Gap 4

- Lack of integrated service marketing communications:
 - Tendency to see each external communication in isolation.
 - No interactive marketing in communication plan.
 - No strong internal marketing (with employees) program
- Ineffective management of customer expectations:
 - No management of customer expectations through all forms of communication.
 - No proper education of customers.
- Over Promising:
 - Exaggerated promises through advertisement, personal selling or through physical evidence cues.
- Inadequate horizontal communications:
 - No proper communication between sales and operations.
 - No proper communication between advertising and operations.
 - Variations in policies and procedures across service outlets.

Closing Provider Gap 4

While creating new advertising programs, inputs from operational personnel should be taken. Advertising should show real employees performing their jobs. Service providers should have preview of the advertisement before customers are exposed to them. Operations staff can also be called for the meeting between sales people and customers. Internal education, motivational and advertising campaigns should be

developed to strengthen coordination among marketing, operations and human resource departments. Advertising contents should accurately show those service characteristics that are important to the customers. Customer expectations should be managed by explaining what is possible and what is not and the reasons why. Offer customers different service levels, at different prices explaining differences between levels.

CONCLUSION

Service gaps are nothing but potholes those get created between customers and service providers. These gaps occur whenever there is a mismatch between what customer expects from the service and the actual service he receives. An understanding of the five "gaps" that result in unsuccessful delivery of service and factors leading to the gaps — can help in preventing customer disappointment.

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