Conceptual Framework of the Book: The Gaps Model of Service Quality

▶ The Customer Gap

▶ The Provider Gaps:

    ▶ Gap 1 – The Listening Gap

        ▶ not knowing what customers expect

    ▶ Gap 2 – The Service Design and Standards Gap

        ▶ not having the right service designs and standards

    ▶ Gap 3 – The Service Performance Gap

        ▶ not delivering to service standards

    ▶ Gap 4 – The Communication Gap

        ▶ not matching performance to promises

▶ Putting It All Together: Closing the Gaps

Gaps Model of Service Quality

FIGURE 2.6
**Gaps Model of Service Quality**
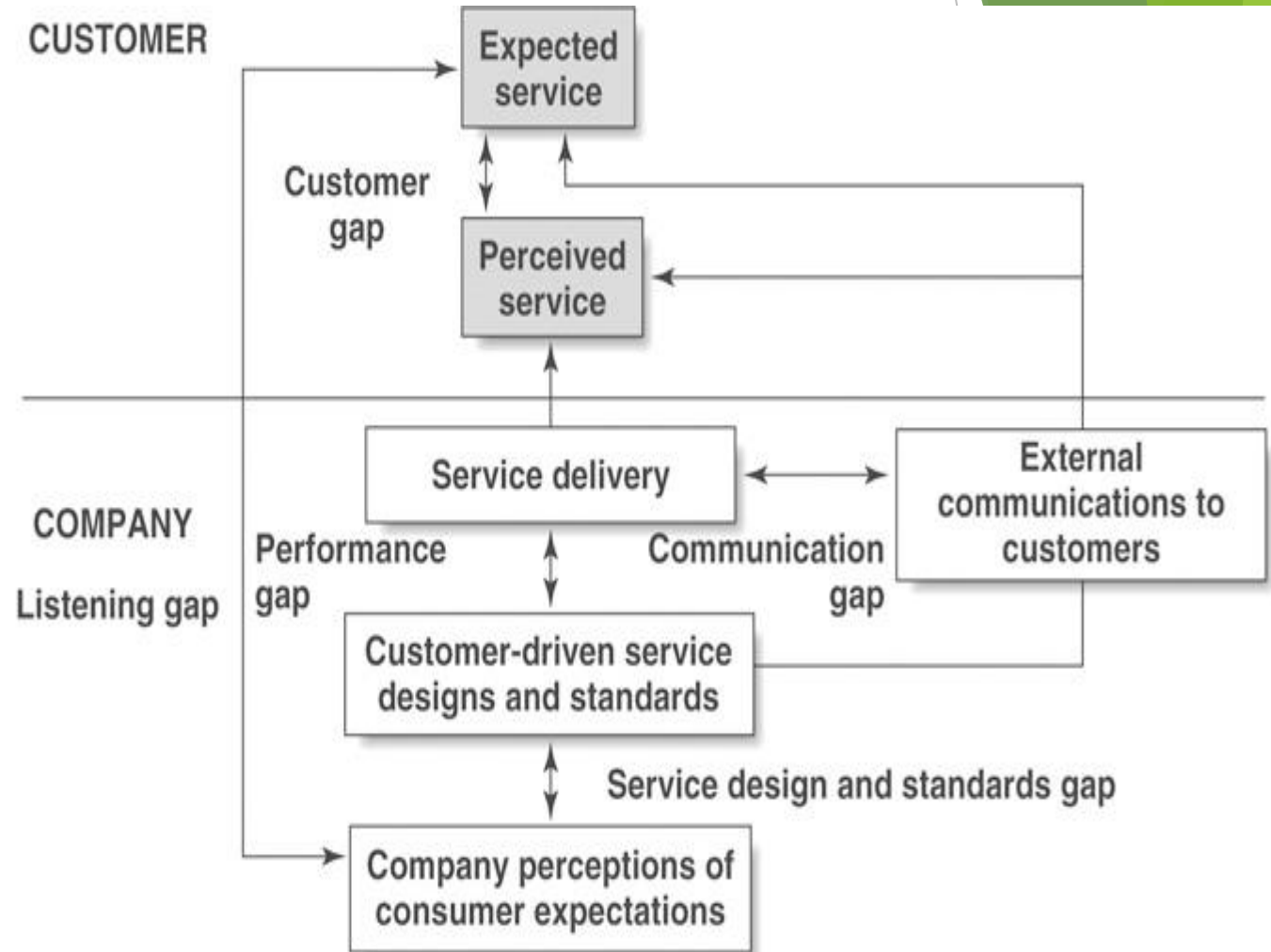
Objectives for Chapter 2: The Gaps Model of Service Quality

- ▶ Introduce the framework, called the gaps model of service quality, used to organize this textbook.

- ▶ Demonstrate that the gaps model is a useful framework for understanding service quality in an organization.

- ▶ Demonstrate that the most critical service quality gap to close is the customer gap, the difference between customer expectations and perceptions.

- ▶ Show that four gaps that occur in companies, which we call provider gaps, are responsible for the customer gap.

- ▶ Identify the factors responsible for each of the four provider gaps.

The Customer Gap

FIGURE 2.1
The Customer Gap
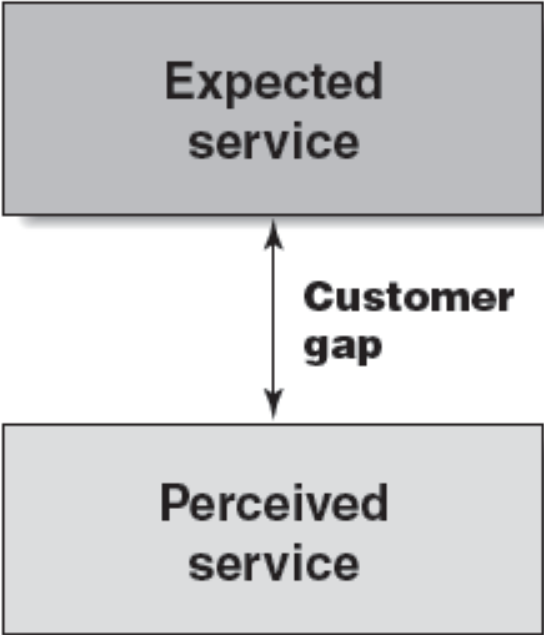
Key Factors Leading to the Customer Gap
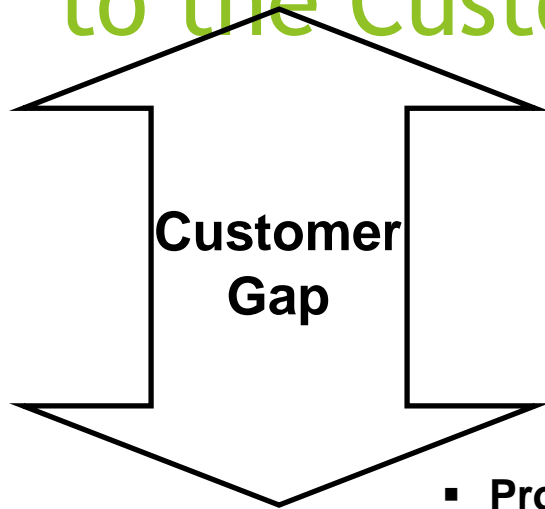
Customer Gap

Customer Expectations

- **Provider Gap 1:** Not knowing what customers expect

- **Provider Gap 2:** Not selecting the right service designs and standards

- **Provider Gap 3:** Not delivering to service standards

- **Provider Gap 4:** Not matching performance to promises

Customer Perceptions

Gaps Model of Service Quality

- Customer Gap:
  - difference between customer expectations and perceptions
- Provider Gap 1 (Listening Gap):
  - not knowing what customers expect
- Provider Gap 2 (Service Design & Standards Gap):
  - not having the right service designs and standards
- Provider Gap 3 (Service Performance Gap):
  - not delivering to service standards
- Provider Gap 4 (Communication Gap):
  - not matching performance to promises

Provider Gap 1
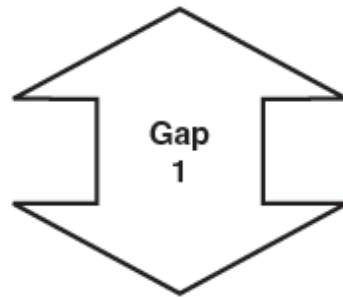
CUSTOMER

Customer expectations

Perceived Service

COMPANY

**Gap 1:
The Listening Gap**

Company perceptions of customer expectations

Key Factors Leading to Provider Gap 1

FIGURE 2.2
Key Factors Leading to Provider Gap 1: the Listening Gap

Gap 1

Customer expectations

- *Inadequate customer research orientation*
  Insufficient customer research
  Research not focused on service quality
  Inadequate use of market research
- *Lack of upward communication*
  Lack of interaction between management and customers
  Insufficient communication between contact employees and managers
  Too many layers between contact personnel and top management
- *Insufficient relationship focus*
  Lack of market segmentation
  Focus on transactions rather than relationships
  Focus on new customers rather than relationship customers
- *Inadequate service recovery*
  Lack of encouragement to listen to customer complaints
  Failure to make amends when things go wrong
  No appropriate recovery mechanisms in place for service failures

Company perceptions of customer expectations

Provider Gap 2

CUSTOMER
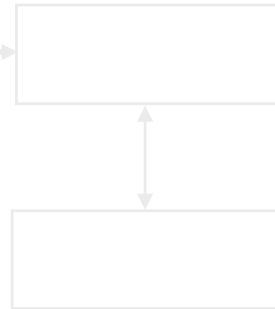
COMPANY

```
┌──────────────────────────┐
│  Customer-driven         │
│  service designs and     │
│  standards               │
└──────────────────────────┘
            ↕
┌──────────────────────────┐
│  Company                 │
│  perceptions of          │
│  customer                │
│  expectations            │
└──────────────────────────┘
```

Gap 2: The Service Design and Standards Ga

Key Factors Leading to Provider Gap 2

FIGURE 2.3
Key Factors Leading to Provider Gap 2: the Service Design and Standards Gap

Gap 2

Customer-driven service designs and standards
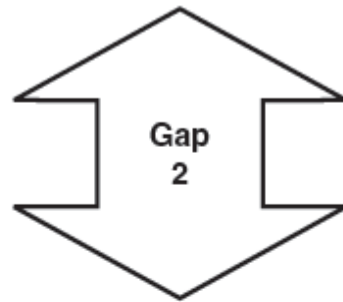
- *Poor service design*
  Unsystematic new service development process
  Vague, undefined service designs
  Failure to connect service design to service positioning
- *Absence of customer-driven standards*
  Lack of customer-driven service standards
  Absence of process management to focus on customer requirements
  Absence of formal process for setting service quality goals
- *Inappropriate physical evidence and servicescape*
  Failure to develop tangibles in line with customer expectations
  Servicescape design that does not meet customer and employee needs
  Inadequate maintenance and updating of the servicescape
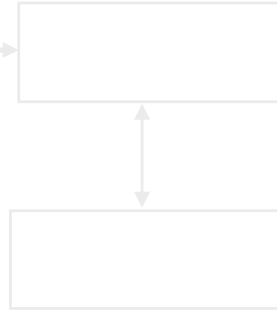
Management perceptions of customer expectations

Provider Gap 3

CUSTOMER

COMPANY

Service delivery

Customer-driven service designs and standards

Gap 3: The Service Performance Gap

Key Factors Leading to Provider Gap 3

FIGURE 2.4
Key Factors Leading to Provider Gap 3: the Service Performance Gap

Gap 3

Customer-driven service designs and standards

- *Deficiencies in human resource policies*
  Ineffective recruitment
  Role ambiguity and role conflict
  Poor employee–technology job fit
  Inappropriate evaluation and compensation systems
  Lack of empowerment, perceived control, and teamwork
- *Failure to match supply and demand*
  Failure to smooth peaks and valleys of demand
  Inappropriate customer mix
  Overreliance on price to smooth demand
- *Customers not fulfilling roles*
  Customers lack knowledge of their roles and responsibilities
  Customers negatively impact each other
- *Problems with service intermediaries*
  Channel conflict over objectives and performance
  Channel conflict over costs and rewards
  Difficulty controlling quality and consistency
  Tension between empowerment and control

Service delivery

Provider Gap 4

CUSTOMER

COMPANY

Gap 4: The Communication Gap

Service delivery

External communications to customers
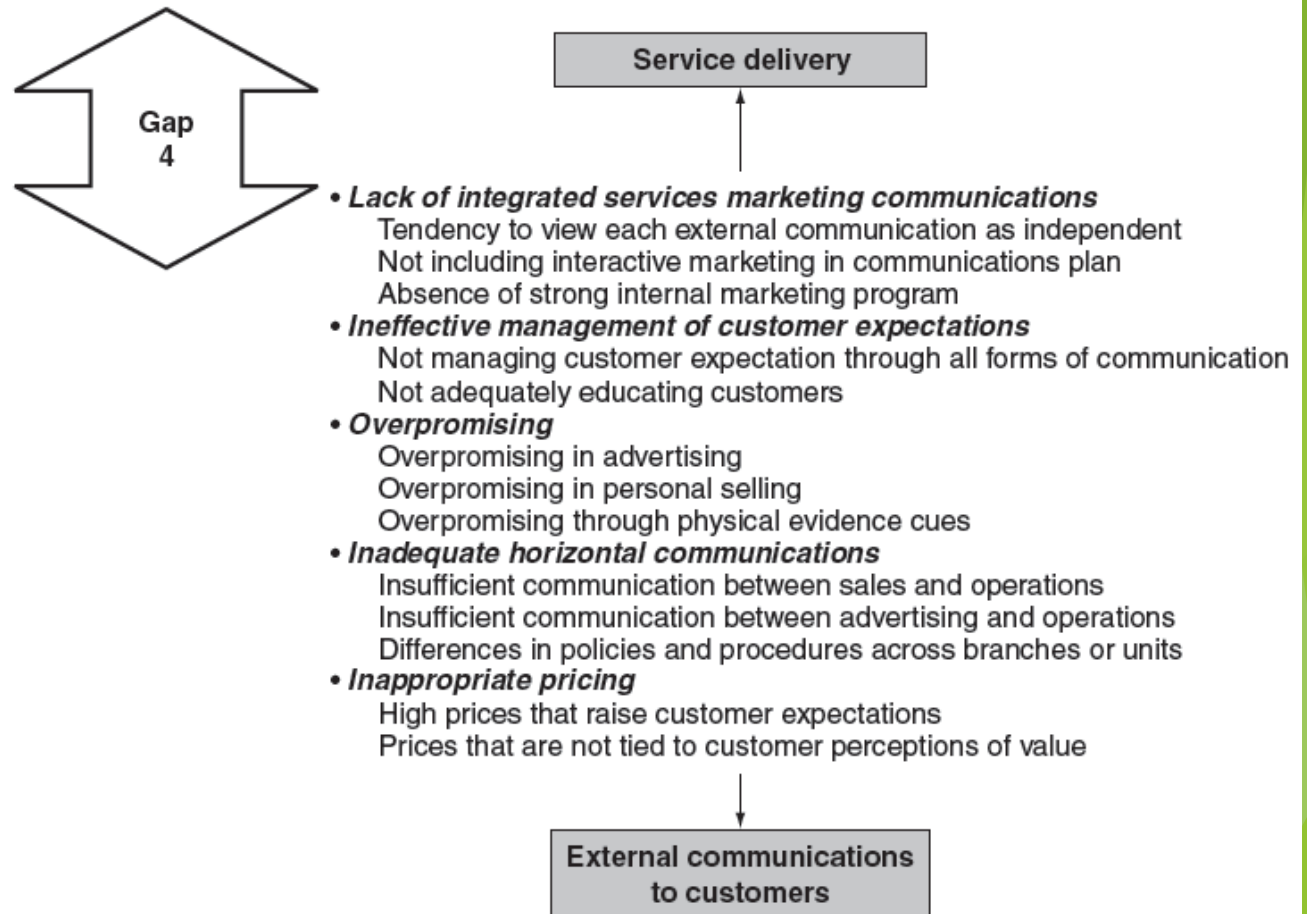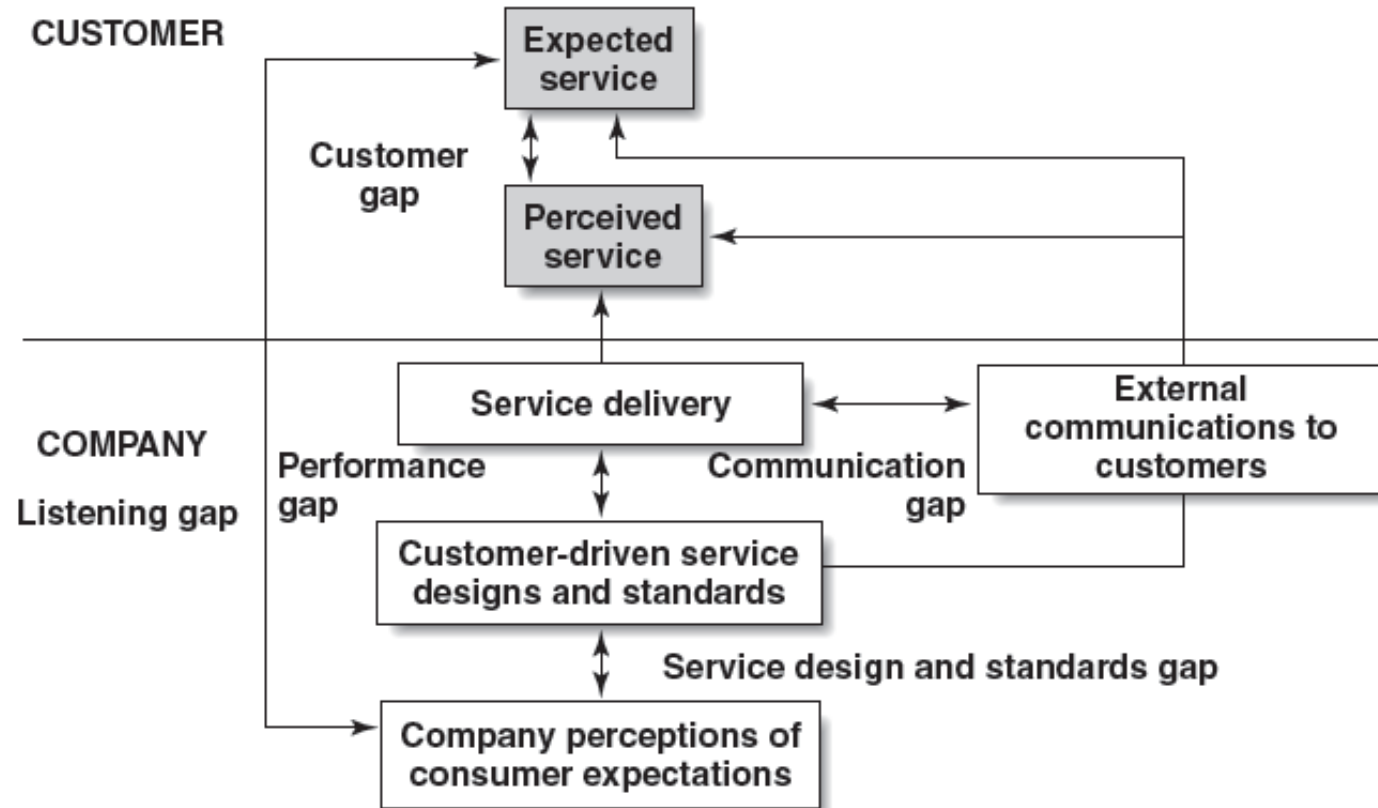
Key Factors Leading to Provider Gap 4

FIGURE 2.5
Key Factors Leading to Provider Gap 4: the Communication Gap

Gap 4

Service delivery

- *Lack of integrated services marketing communications*
    Tendency to view each external communication as independent
    Not including interactive marketing in communications plan
    Absence of strong internal marketing program
- *Ineffective management of customer expectations*
    Not managing customer expectation through all forms of communication
    Not adequately educating customers
- *Overpromising*
    Overpromising in advertising
    Overpromising in personal selling
    Overpromising through physical evidence cues
- *Inadequate horizontal communications*
    Insufficient communication between sales and operations
    Insufficient communication between advertising and operations
    Differences in policies and procedures across branches or units
- *Inappropriate pricing*
    High prices that raise customer expectations
    Prices that are not tied to customer perceptions of value

External communications to customers

Gaps Model of Service Quality

FIGURE 2.6
Gaps Model of Service Quality

Discussion: Ways to Use Gap Analysis

▶ Overall Strategic Assessment:

  ▶ How are we doing overall in meeting or exceeding customer expectations?

  ▶ How are we doing overall in closing the four company gaps?

  ▶ Which gaps represent our strengths and where are our weaknesses?

Ways to Use Gap Analysis

- Specific Service Implementation

  - Who is the customer? What is the service?

  - Are we consistently meeting/exceeding customer expectations with this service?

  - If not, where are the gaps and what changes are needed? (Examine gaps 1-4 for this particular service.)