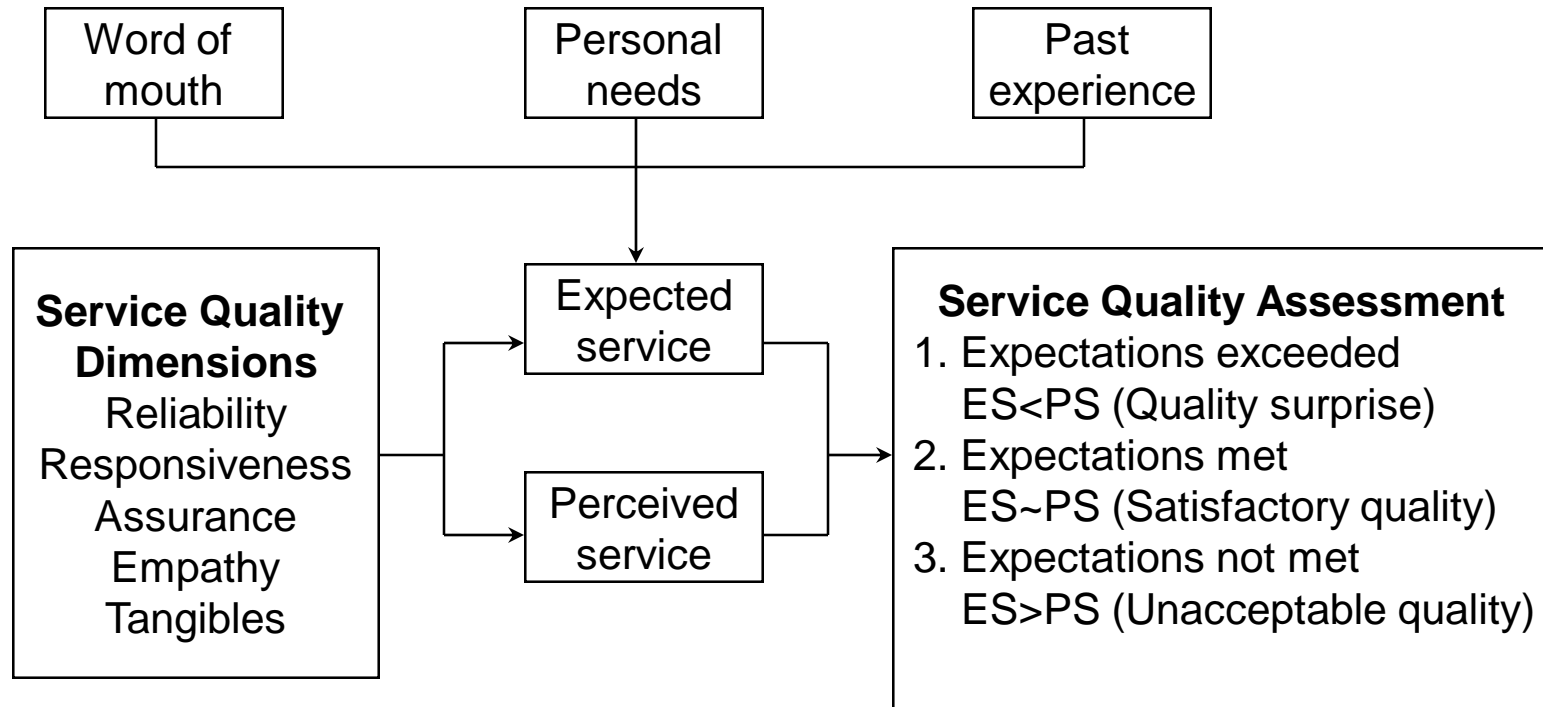


GAP Model

Final “Dimensions” of Service Quality

- **Reliability** – delivering on promises . Example: receive mail at same time each day.
- **Responsiveness** – willing to help. Example: avoid keeping customers waiting for no apparent reason.
- **Assurance** – inspiring trust and confidence. Example: being polite and showing respect for customer.
- **Empathy** – individualizing customers. Example: being a good listener.
- **Tangibles**- physical representation. Example: cleanliness.

Perceived Service Quality



Another aspect of an “objective” service quality framework

How do the customers assess “service quality?”

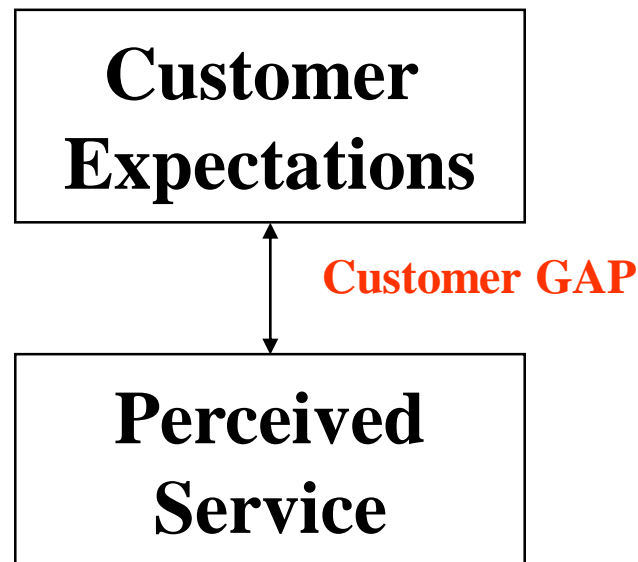
Postulation: Service Quality Satisfaction Score $Q = f(\text{perceived quality} - \text{expected quality})$.

Gaps Model of Service Quality

- Customer Gap:
 difference between expectations and perceptions
- Provider Gap 1:
 not knowing what customers expect
- Provider Gap 2:
 not having the right service designs and standards
- Provider Gap 3:
 not delivering to service standards
- Provider Gap 4:
 not matching performance to promises

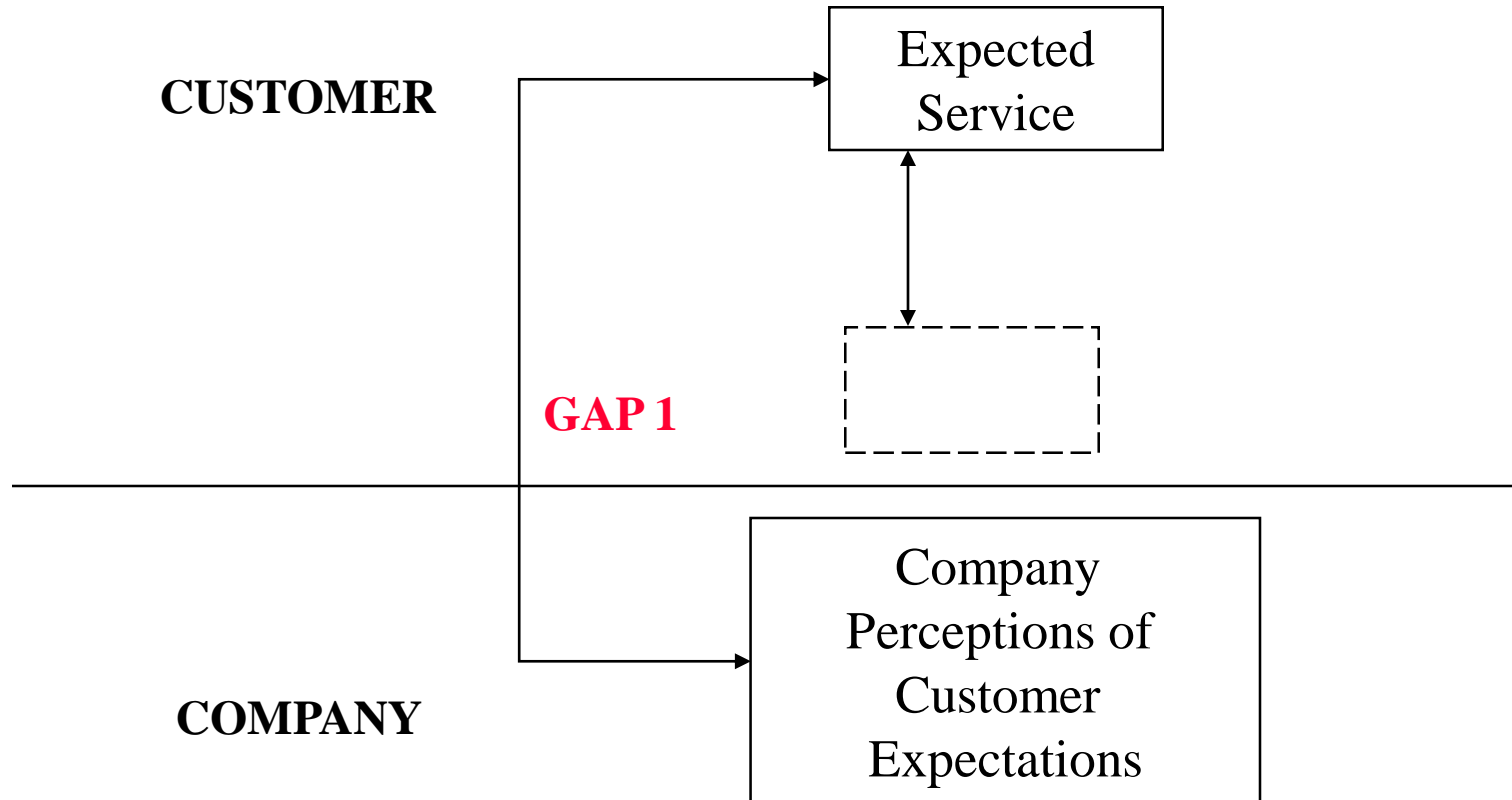
Customer Gap

- The Difference between Customer Perceptions & Expectations



Provider Gap 1

- Not Knowing What Customers Expect



Provider Gap 1

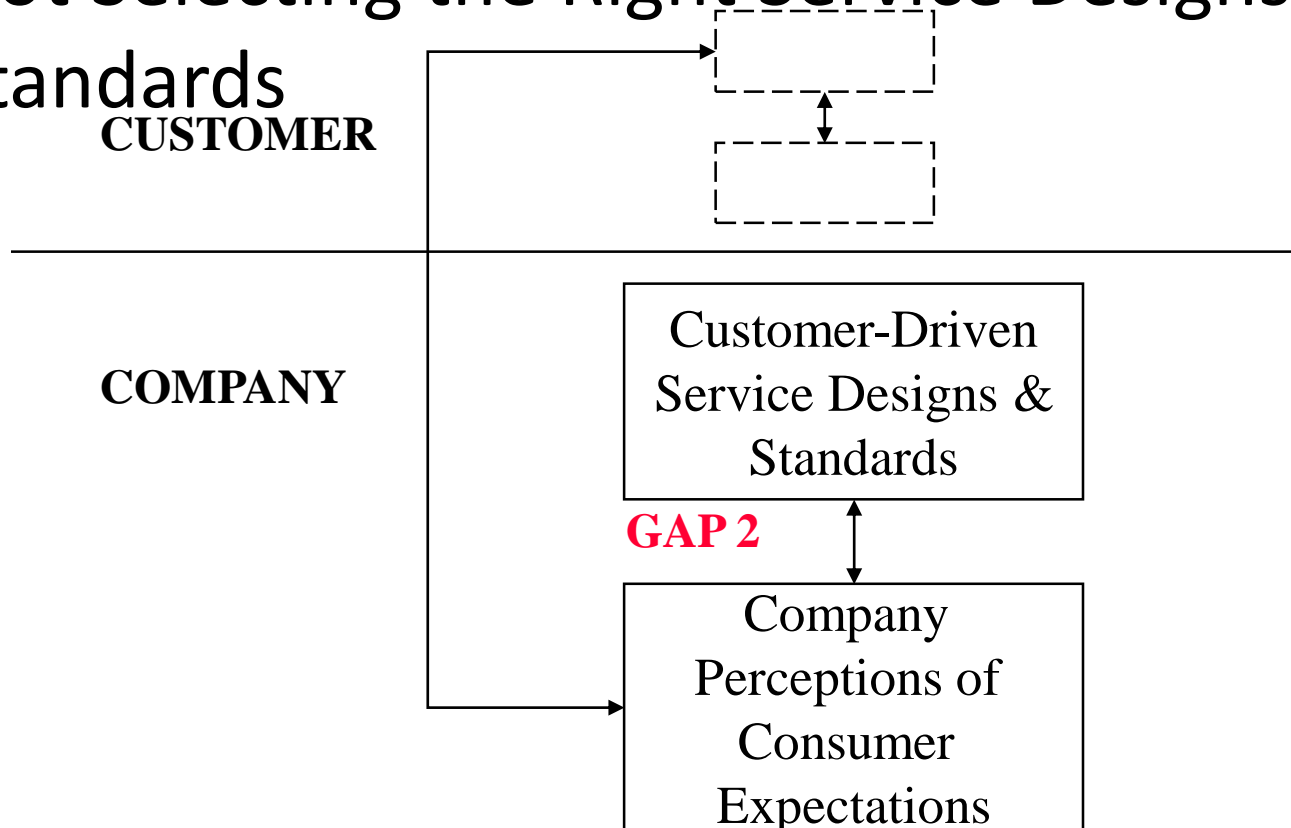
The reasons for not being aware of what customers expect are:

- They may not interact directly with customers
- They may not be unwilling to ask about expectations
- They may not be unprepared to address them
- They may trigger a chain of bad decisions and suboptimal resource allocations, leading to perceptions of poor service quality

Nowadays, responsibility for closing this provider gap should be broadened from managers to employee who can change or influence service policies and procedures.

Provider Gap 2

- Not Selecting the Right Service Designs & Standards

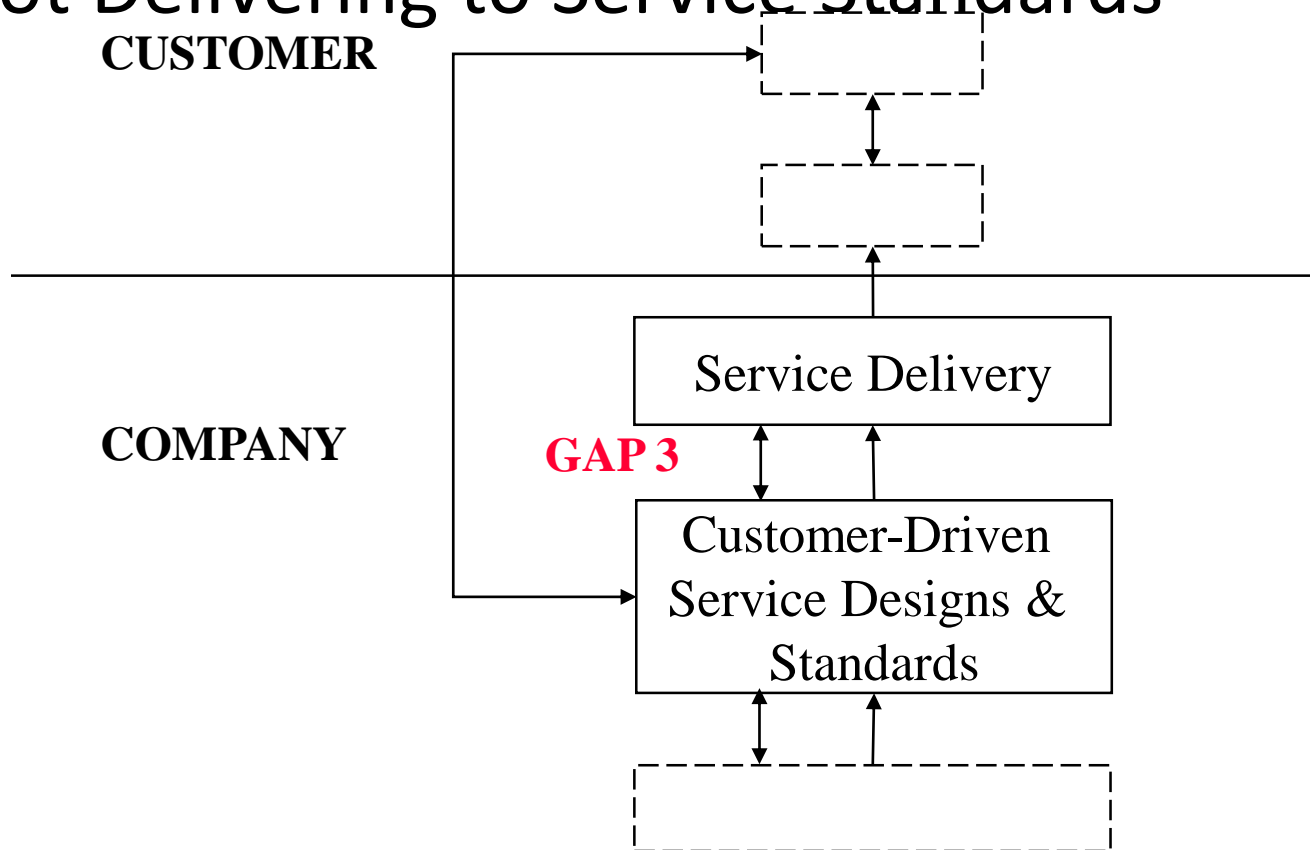


Provider Gap 2

Provider gap 2 refers to the problem in translating customers' expectations into service-quality specifications, i.e. the difference between company understanding of customer expectations and development of customer-driven service designs and standards. The customer-driven standards are not equivalent to conventional performance standards since service companies establish customer-driven standards based on pivotal customer requirements that are visible to and measured by customers. Besides, they are operations standards that emphasize on customer expectations and priorities, instead of company concerns like productivity.

Provider Gap 3

- Not Delivering to Service Standards

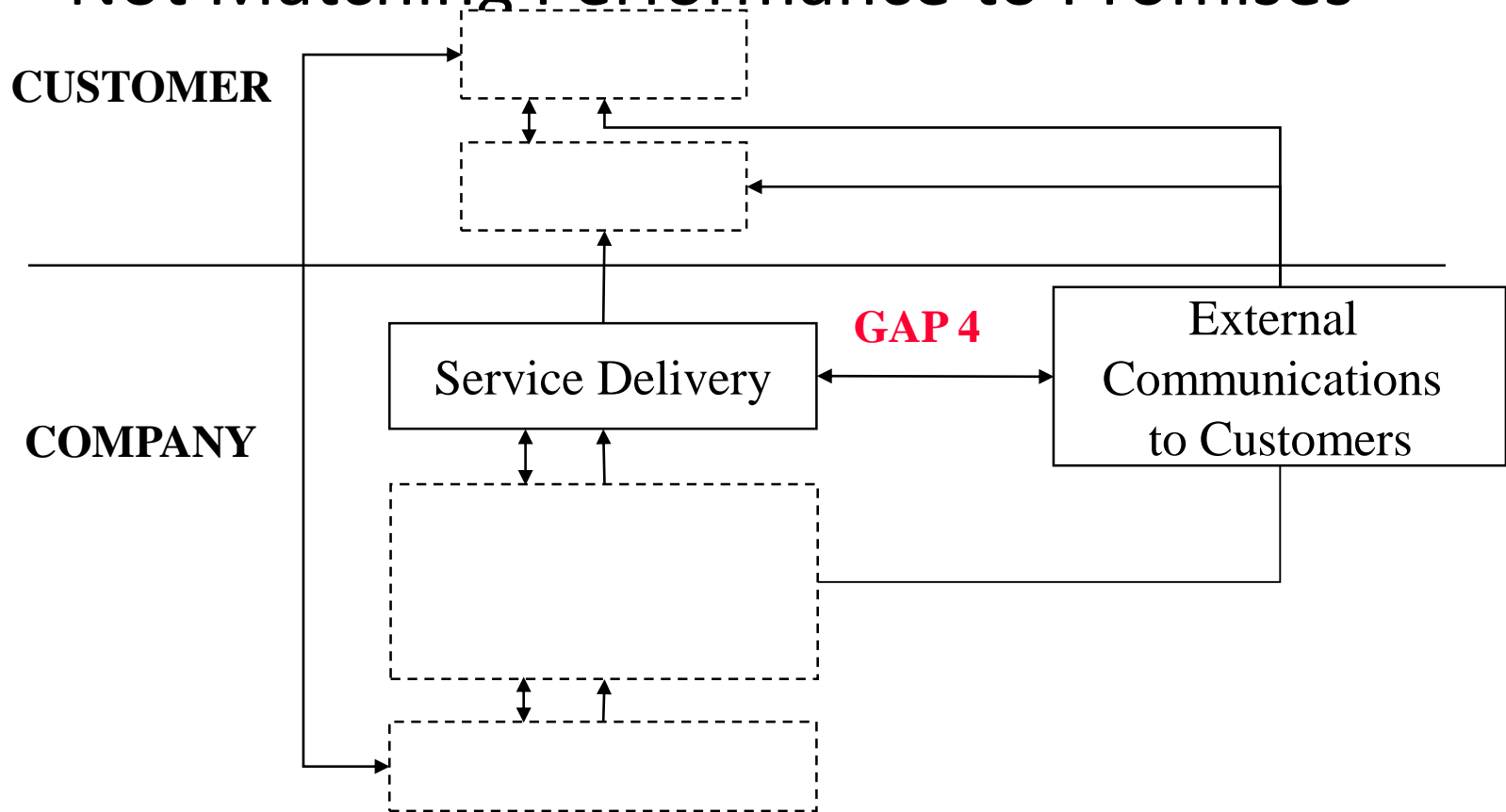


Provider Gap 3

- Provider gap 3 reflects to the difference between development of customer-driven service standards and actual service performance by company employees. Service performance with high quality is not guaranteed even with guidelines for performing services well and treating customers correctly. Standards should be applied in all resources including people, systems and technology. Employees should be measured and compensated based on their performance along those standards. The service companies should provide support for the standards to facilitate, encourage and require their achievement. Thus, when the level of service-delivery performance falls short of the standards, it falls short of what customers expect as well.

Provider Gap 4

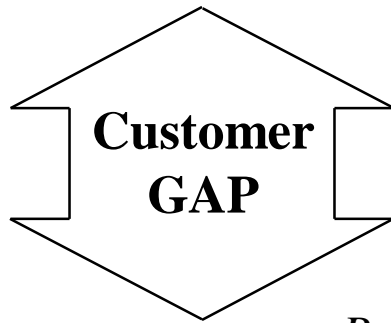
- Not Matching Performance to Promises



Provider Gap 4

- Provider gap 4 reflects to the difference between service delivery and the service provider's external communications. The customer expectations are raised by the promises from media advertising, sales force and other communications. This can be served as the standard against which customer assess service quality. The promises is broken due to overpromising in advertising or personal selling, inadequate coordination between operations and marketing, and differences in policies and procedures across service outlets.

Key Factors Leading to Customer Gap

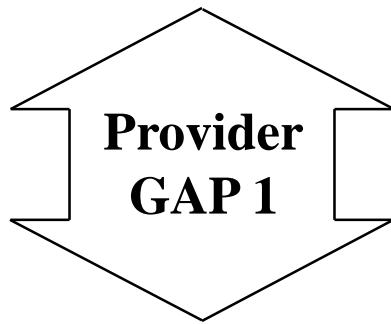


Customer Expectations

- *Provider Gap 1: Not knowing what customers expect*
- *Provider Gap 2: Not selecting the right service designs & standards*
- *Provider Gap 3: Not delivering to service standards*
- *Provider Gap 4: Not matching performance to promises*

Customer Perceptions

Key Factors Leading to Provider Gap 1



Customer Expectations

- ***Inadequate Marketing Research Orientation***

Insufficient marketing research

Research not focused on service quality

Inadequate use of market research

- ***Lack of Upward Communication***

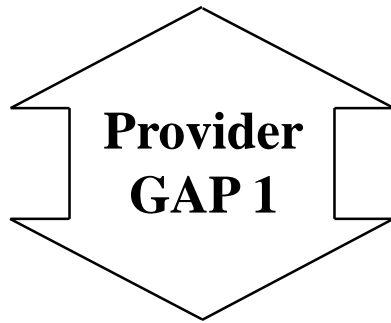
Lack of interaction between management & customers

Insufficient communication between contact employees & managers

Too many layers between contact personnel & top management

**Company Perceptions of
Customer Expectations**

Key Factors Leading to Provider Gap 1

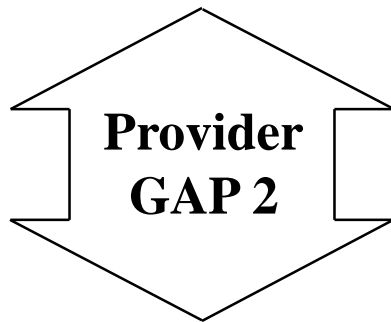


Customer Expectations

- ***Insufficient Relationship Focus***
 - Lack of market segmentation*
 - Focus on transactions rather than relationships*
 - Focus on new customers rather than relationship customers*
- ***Inadequate Service Recovery***

**Company Perceptions of
Customer Expectations**

Key Factors Leading to Provider Gap 2



**Customer-Driven
Service Designs & Standards**

- ***Poor Service Design***

Unsystematic new-service development process

Vague, undefined service designs

Failure to connect service design to service positioning

- ***Absence of Customer-Defined Standards***

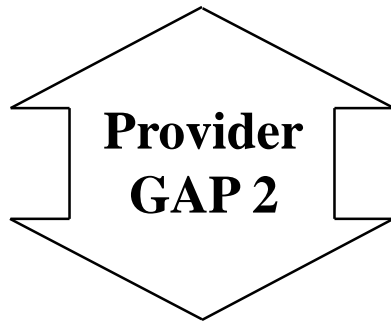
Lack of customer-defined service standards

Absence of process management to focus on customer requirements

Absence of formal process for setting service quality goals

**Management Perceptions
of Customer Expectations**

Key Factors Leading to Provider Gap 2

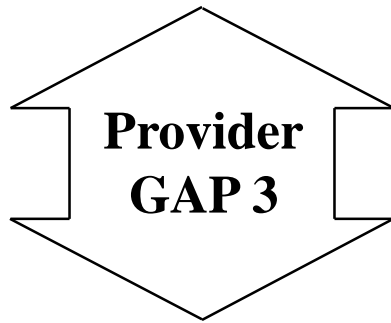


**Customer-Driven
Service Designs & Standards**

- *Inappropriate Physical Evidence & Servicescape*

**Management Perceptions
of Customer Expectations**

Key Factors Leading to Provider Gap 3



Service Delivery

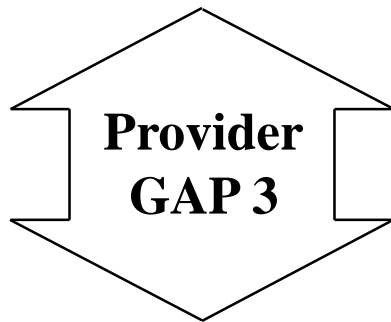


- ***Deficiencies in Human Resource Policies***
 - Ineffective recruitment*
 - Role ambiguity and role conflict*
 - Poor employee-technology job fit*
 - Inappropriate evaluation and compensation systems*
 - Lack of empowerment, perceived control and teamwork*
- ***Failure to Match Supply & Demand***
 - Failure to smooth peaks and valleys of demand*
 - Inappropriate customer mix*
 - Over-reliance on price to smooth demand*



Customer-Driven Service Designs & Standards

Key Factors Leading to Provider Gap 3



Service Delivery

- ***Customers Not Fulfilling Roles***

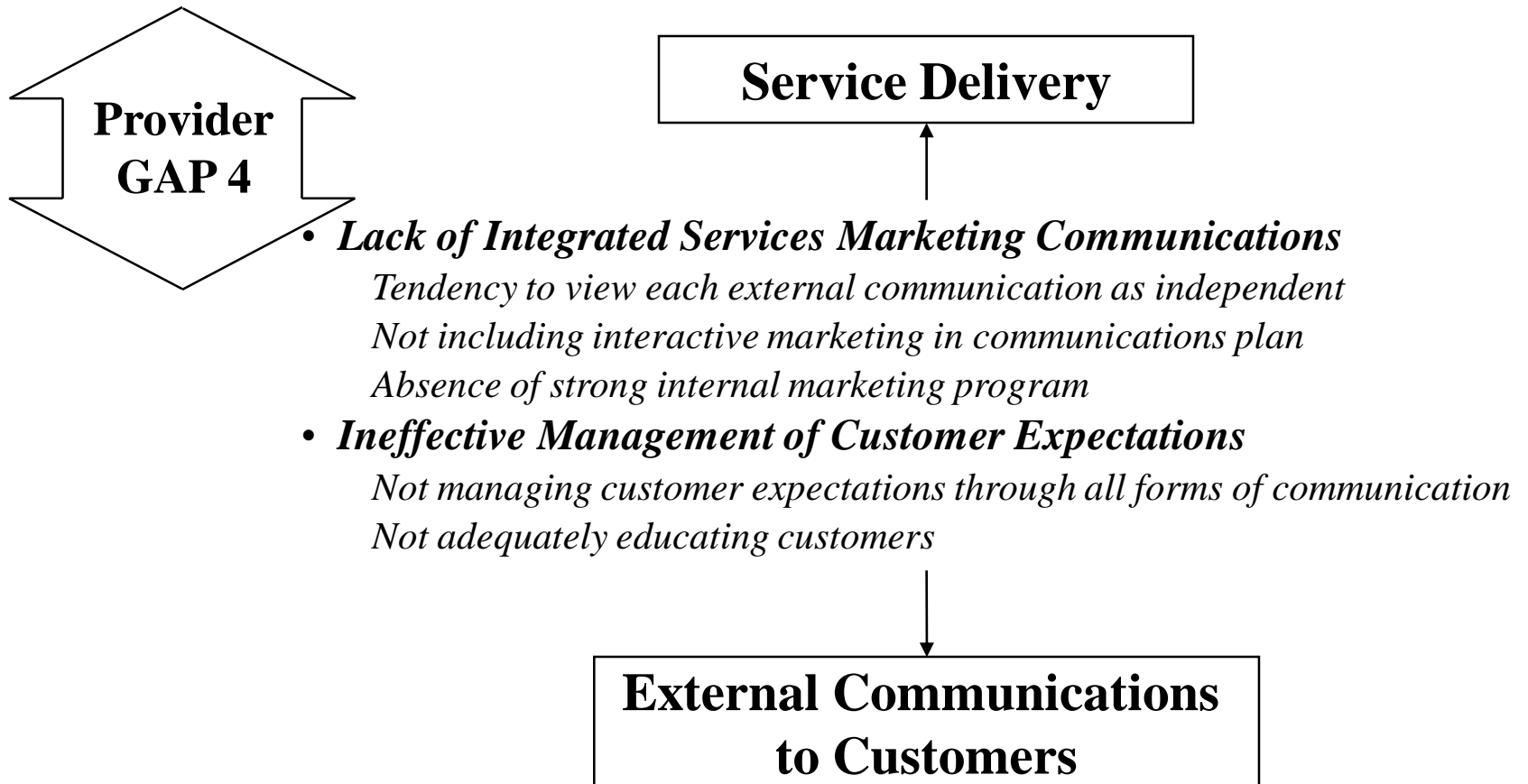
Customers lack knowledge of their roles and responsibilities
Customers negatively affect each other

- ***Problems with Service Intermediaries***

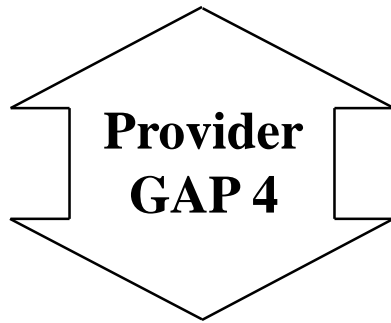
Channel conflict over objectives and performance
Channel conflict over costs and rewards
Difficulty controlling quality and consistency
Tension between empowerment and control

**Customer-Driven
Service Designs & Standards**

Key Factors Leading to Provider Gap 4



Key Factors Leading to Provider Gap 4



- ***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*

Service Delivery



**External Communications
to Customers**



