SERVICE QUALITY AND GAP ANALYSIS: A THEORETICAL OVERVIEW AND ITS CHALLENGES

Mahanteshwar S. Hugar[1] and Dr. Srinath H. Shahapure[2]
[1]Assistant Professor, and Research Scholar,
Faculty of Business Studies, Sharnbasva University, Kalaburagi, Karnataka.
[2] Professor and Chairman, Faculty of Business Studies, Sharnbasva University, Kalaburagi, Karnataka, India.

ABSTRACT:

When defining the concept of service quality, one should always start with customers, as quality is the most important factor for customers and also it is their basis of their opinion, which will then result in the fact that service quality is achieved if the customer expectations are achieved.

While doing the service product design process, a significant element is the service quality, as it influences the volume of demand for a given service product, as well as customer profile of this service product. The most significant positioning tool of service providers and their offer on the contemporary service market is the service quality.

*The present papers entitled "Service quality and Gap Analysis in Health Sector: A Theoretical Overview and its Challenges" was majorly focused on the theoretical concepts of Service Quality, Challenges, Gap analysis and its evaluation. The is majorly focused on the theoretical concepts and the completely information had been collected from the secondary source of information. The study makes to understand the theoretical concepts of service quality in detail.*

KEYWORDS: *service product design process , Service quality and Gap Analysis , Service Quality, Challenges, Gap analysis.*

1.1: INTRODUCTION

It is a combination of two words, Service and Quality where we find emphasis on the availability of quality services to the ultimate users. The term quality focuses on standard or specification that a service generating organization promises. We can't have a clear-cut boundary for quality. Sky is the limit for quality generation. Scientific inventions and innovations make the ways for the generation of quality, more frequency in innovations, less gap in the process of quality up-gradation.

Like the goods manufacturing organizations even the service generating organizations are found instrumental in promoting research and devising something new that makes the services, schemes distinct to the competitors and creates profitable market opportunities to capitalize on. It is against this background that in the developed countries, the process of innovation is found more frequent.

_____
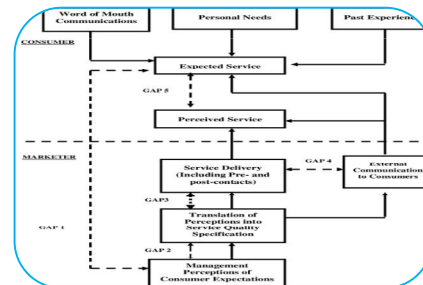
1.2: OBJECTIVES OF THE STUDY
a) To study the theoretical concept of Service Quality and its Importance.
b) To examine and analyze the theoretical concepts of Gap analysis
c) To understand the types of challenges and theoretical outcome of the study.

1.3: SOURCE OF INFORMATION
      The present paper had been covering the theoretical concept of Service quality and Gap analyses. So the entire study is based on the Secondary source of information. This may be helpful to understand the therotical concept of service Quality, Gap analysis and the challenges.

1.4: LIMITATION OF THE STUDY
a) The study is completely based on the Secondary information
b) The Study is limited to the concept covered is based on the topic
c) The study had covered only the limited concept as per the requirements.

1.5: MEANING OF SERVICE QUALITY:
      Service quality is generally viewed as the output of the service delivery system, especially in the case of pure service systems. Moreover, service quality is linked to consumer satisfaction. Although there is no consensus in the research community about the direction of causality relating quality and satisfaction, the common assumption is that service quality leads to satisfied customers.

1.6: DEFINITIONS
Service quality has been defined keeping in view at least four perspectives:
a) Excellence – Although the mark of an uncompromising student and high achievement, the attributes of excellence may change dramatically and rapidly. Excellence is often externally defined.
b) Value – It incorporates multiple attributes, but quality and value are different constructs—one the perception of meeting or exceeding expectations and the other stressing benefit to the recipient.

1.7: OBJECTIVES OF SERVICE QUALITY:
      The subject of service quality has aroused considerable recent interest among business people and academics. Of course, buyers have always been concerned with quality, but the increasing competitive market for many services has led consumers to become more selective in the services they choose. Conceptualizing the quality for services is more complex than for goods. Because of the absence of tangible manifestations, measuring service quality can be difficult but there are possible research approaches.
      Comprehensive models of service quality and their limitations can be studied. Understanding just what dimensions of quality are of importance to customers is not always easy in their evaluation process. It is not sufficient for companies to set quality standards in accordance with misguided assumptions of customers' expectations.[1]

1.8: CHARACTERISTICS
The main characteristics of service quality are as follows:
a) Clients are a direct part of the process, bringing perceptions and expectations to the transaction that become part of their interaction with you.
b) Unlike a manufactured product, which can be made, inspected, and controlled for quality before it is released to the client, service quality cannot be inspected before delivery.
c) Because clients participate fully in the transaction, they are concerned both with the output or result of the transaction, and the process for delivering that outcome.[2]

_____

1.9: IMPLICATIONS OF SERVICE STANDARDS:

Service standards are on a rise in today's global world. In the competitive and dynamic world of today, technology has lead to redesigning of the service standards drastically. Where a normal TV was the basic need in a hotel, today LCD has replaced the same as & basic need.

An internet service in the room which was a delight need for the consumers have today become a basic or core need of the consumers. Thus today the service quality standards are raising their bar.

For example in a traditional measurement system in a company's training division, the instructor and his quality was the only service standard checked for the training. When one does a market research of the audience, one could find three more factors which could affect the service quality of this training which are specific requirements like- (1) Instructor's style, (2) Instructor's expertise, and (3) Instructor's management of class.

The company should invest in customer-defined standards project so that the resulting measurement system is more successful in judging the consumers requirements.

The level of customer requirements will generate customer-defined standards which will lead the company to a concrete behavior and actions.[3]

1.10: MEASUREMENT AND CONTROL OF SERVICE QUALITY

In order to rate or determine the extent to which a service or the company in general is meeting customer expectations and conclude about the service quality, the first step is to define a standard against which service performance can be compared. This process of defining standards can begin with goal setting.

These are examples of quantitative standards put in place to measure what may be 'difficult to measure'.

a.   Company-Defined Standards of Service Delivery
b.   Customer-Defined Standards
c.   Benchmarking
d.   Complaints Solicitation and Analysis
e.   The solicitation of the complaints serves many purposes:
f.   Lost Customer Analysis.[4]

1.11: The challenges for the service provider arising from lost customer analysis are twofold:

i.   Not many customers would like to announce in advance that they are planning to quit the service. Some may decide to switch suddenly. Since the absence of the customer is not immediately felt, by the time an attempt is made to contact the lost customer, it may be too late to do anything about bringing him back.

ii. The veracity and seriousness of the lost customer's feedback is open to different interpretations. After having stopped using the service, customers may give feedback that may not include the main reason for quitting the service in the first place.

Despite these limitations, the technique does provide valuable data and insights into the quality standards and service delivery process in line with the designed quality standards of delivery.[5]

1.12: Gap Model, SERVQUAL Model and Critical Incident Model

Different measurement criteria are required for different concepts such as service quality, customer satisfaction, customer perceptions, expectations and loyalty. While assessing these concepts, they will need to use different measuring scales, scope of opinions, attitudes and behavior.

Some current methods of measuring customer expectations and customer perceptions are SERVQUAL, SERVPERF, Critical Incidents Technique, observation studies, focus group discussions and in-depth interviews and evaluate these methods in terms of their relevance and appropriateness for services marketing in different contexts.

_____
Journal for all Subjects : www.lbp.world

3

a. Gap Model:

i. **Gap 1- Consumer Expectation – Management Perception Gap:** Service firms may not always understand what features a service must have in order to meet consumer needs and what levels of performance on those features are needed to bring deliver high quality service. These results in affecting the way consumers evaluate service quality.

ii. **Gap 2- Management Perception – Service Quality Specification Gap:** This gap arises when the company identifies what the consumers want but the means to deliver to expectation does not exist. Some factors that affect this gap could be resource constraints, market conditions and management indifference. These could affect service quality perception of the consumer.

iii. **Gap 3- Service Quality Specifications – Service Delivery Gap:** Companies could have guidelines for performing service well and treating consumers correctly but these do not mean high service quality performance is assured. Employees play an important role in assuring good service quality perception and their performance cannot be standardized. This affects the delivery of service which has an impact on the way consumers perceive service quality.

iv. **Gap 4- Service Delivery – External Communications Gap:** External communications can affect not only consumer expectations of service but also consumer perceptions of the delivered service. Companies can neglect to inform consumers of special efforts to assure quality that are not visible to them and this could influence service quality perceptions by consumers.

v. **Gap 5- Expected Service – Perceived Service Gap:** From their study, it showed that the key to ensuring good service quality is meeting or exceeding what consumers expect from the service and that judgement of high and low service quality depends on how consumers perceive the actual performance in the context of what they expected.

Parasuraman et al., later developed the SERVQUAL model which is a multi-item scale developed to assess customer perceptions of service quality in service and retail businesses.[6]

1.13: Service Quality – Evaluation

When evaluating service quality, consumers examine five dimensions- tangibles, reliability, responsiveness, assurance and empathy using SERVQUAL to measure Service Quality.

The SERVQUAL instrument was based on the premise that service quality is the difference between customers' expectations and their evaluation of the service they received. The first part of the questionnaire asks customers to indicate the level of service they would expect from a firm in a particular industry. The second part of the questionnaire asks customers to evaluate the service performed by a specific service firm.

Gap Theory is the method for calculating service quality that involves subtracting a customer's perceived level of service received from what was expected. SERVQUAL uses 21 questions to measure the five dimensions of tangibles, reliability, responsiveness, assurance and empathy. Through SERVQUAL, firms can measure customers' evaluations of their service performance. For example, if customers consistently give firm low scores for one dimension, such as reliability, then the firm's management can take steps to improve that particular dimension of their service offering.[7]

1.14: Problems with SERVQUAL:

Although SERVQUAL is an excellent instrument for measuring service quality, managers must be aware of potential problems with the instrument, as well as with the gap theory methodology on which it is based. An understanding of these problems may prevent service companies from misinterpreting the results and developing inappropriate marketing plans. The SERVQUAL instrument has three potential problems:

First, SERVQUAL measures customers' expectations of the ideal firm in a particular service industry. This may or may not be relevant to the capabilities of a particular service firm or the set of service firms available to a consumer. For example, consumers may indicate that physicians should provide their services at the time they promised. Seldom do patients see the doctor at the scheduled

time. No one likes waiting after their appointment time, yet, because of excess demand, patients will continue to wait.

The second problem with SERVQUAL is its generic nature. Since it is not industry specific, it does not measure variables that may be important for a particular industry. For example, in the airline business, on-time arrival is a very important dimension to travelers, but SERVQUAL does not measure travelers' perceptions of this variable.

The third problem with SERVQUAL deals with the gap theory methodology used for measuring the level of service quality. Measuring consumer expectations after a service has been provided will bias consumers' responses. If customers had a positive experience at Blockbuster, they will tend to report lower scores for their expectations, so there is a measurable gap between what they expected and the actual service they received.[8]

1.15: Correct Use of Gap Theory

Managers can use the gap theory methodology for measuring service quality performance if precautions are taken to reduce the problems just discussed. If SERVQUAL is used, the instrument should be modified to apply to the specific industry for which it is being used. Additional variables should be added that are relevant and important to customers.

When interpreting the results, managers must remember that respondents are comparing their firm with the ideal firm in the industry. To prevent biases from interfering with the gap scores, consumer expectations should be measured prior to the service and service perceptions after the service. Because consumers are affected by advertising and word-of-mouth communications, the time between measuring expectations and measuring the quality of service received should be relatively close.

Service Quality – A Key to Success in the Services Sector "Service with a smile", "You can count on XXXX for prompt delivery", "With ABC mobile phones you can reach anyone, anywhere, anytime", "ZZZ Airlines – we fly you everywhere" – these are some punch lines of ad campaigns that are currently splashed across media – print, television and hoardings. How many of us can honestly claim to have experienced this service – consistently, day after day, purchase after purchase, transaction after transaction?

Yet, this is the age of the service sector, an era for excelling in quality of service provided. The service sector is growing in spread and depth to encompass all transactions involving buying and selling be it in the tangible or intangible form.

The examples below underscore how the service sector has transgressed all boundaries.

Companies across the country and the world are seeking to outsource many of their cost centres – the resultant surge in service providers like security services, indoor plants and decorative, cleaning and housekeeping and even secretarial services is phenomenal.

Dual-income, nuclear households are getting to be the norm in urban India. In cities like Mumbai, families are experiencing a burning new need more time. Overstressed with work and travel, they find it impossible to grapple with routine everyday tasks. This has given rise to hitherto unconventional new services. Housewives now make a cool sum with selling idli/dosa batter and homemade foods. Telephonic orders and home delivery are now passed with grocers and vegetable vendors.

Supermarkets sell packaged vegetables, which are chopped and cleaned – waiting to be cooked. The makeover is apparent even in traditional services like retailing and banking. These service providers have added peripheral services to reduce transaction time and improve service delivery.

Turn to product marketing – tangible products like television sets, air- conditioners, microwave ovens and refrigerators, pagers and mobile phone sets and even cars are being sold on the promise of after-sales service. Buyers are not just conscious of the necessity of services after the purchase has been made – they demand it. Having tasted the joys of greater and enhanced services in all walks of life, urban Indians are clamoring for more.

_____
Journal for all Subjects : www.lbp.world

5

They now want an improvement in the quality of service offered. Service quality therefore is the latest buzzword – in corporate boardrooms, the local bania's siesta conversation with his neighbors and in the king's lair – the urban household. How then is the service provider to go about the difficult task of analyzing his business operations for chinks in delivery of quality service? What tool would indicate to him that he has misunderstood his customer? Where would he seek a consultant for rectifying this fatal error?

The gaps model of service quality looks into the gaps in service quality. It is a ready reckoned to service providers to analyze their existing service delivery system and rectify matters before the company has lost the attention of the customer.[9]

1.16: Important Strategies for Enhancing the Quality of Service Offered to Customers

It is not too difficult for companies to improve service quality. What is required is the right strategy to do it and the commitment by all members of the organization. The following are some of the strategies that should be followed by service organizations to enhance the quality of service offered to customers:

a. A service provider should aim at achieving zero-defects or error-free service. This can be achieved by having a management that believes in 100% perfection, providing the necessary infrastructure that facilitates error-free service, and by testing and retesting service processes at various stages to eliminate any loopholes. This will also help them improve continuously to set and achieve new standards.

For example, DHL set up a separate express terminal spread over 26,500 sq. feet, using state-of-the-art technology, at Indira Gandhi International Airport, Delhi. As the customs' staff work round-the-clock at this site, the process of clearance of customers' consignments have been speeded up, enabling DHL to deliver consignments faster to customers.

b. Internal communication promotes better understanding among employees of each other's tasks and responsibilities, and the difficulties involved, and enhance cooperation and coordination which eventually results in better service to customers. Also, organizations should be equipped with modem training equipment and techniques to simulate real work environment and train employees to deliver quality service.

UTI (Unit Trust of India), which saw its scale of operations and number of employees increase significantly, implemented an advanced communication system with the help of Wipro, to facilitate effective communication among its scattered branches and employees.

c. Service providers should always test a service prior to launching it in the marketplace. If possible, a new service should be introduced in a few select places for test marketing. This will allow sometime for the management to obtain customer feedback. In case customers report problems, the management can take corrective action.

Another approach to prevent problems is to develop a service blueprint to identify all the activities that lead to final service delivery, identify problem areas and train employees to handle the problems. Service providers should also test the service after launching it. Setting higher service quality goals and striving to achieve them should be an on-going process as any complacency will render the service out-dated in a competitive market.

d. Sometimes, service providers fail to deliver the service despite all the precautions they take to prevent a failure. At such times, customers' perception of service quality depends on the service provider's ability to resolve the problem immediately. To enable effective service recovery and regain customers' confidence, service providers should train employees in recovery techniques and empower them to resolve the problem immediately. Also, they should reward employees who take the initiative and resolve the problem quickly.

e. The management should extend support to employees by setting up the necessary information system and other infrastructure that enables employees to identify and rectify errors with ease. Further, organizations should encourage teamwork among employees. By having an effective service recovery system in place, service providers can assure customers that they care for them.

_____
Journal for all Subjects : www.lbp.world

6

_____

f.   Trained employees will be prepared to face problems and, therefore, can resolve them as soon as they occur and sometimes even before the customer can perceive the error.

REFERENCES

1.   Based on Parasuraman, A, Ziethaml, V. and Berry, L.L., "SERVQUAL: A Multiple- Item Scale for Measuring Consumer Perceptions of Service Quality' Journal of Retailing, Vol. 62, no. 1, 1988, [Appendix: SERVQUAL questionnaire, pp 37-40
2.   Caruanaa, A., Ewing, M.T and Ramaseshanc, B., "Assessment of the Three-Column Format SERVQUAL: An Experimental Approach," Journal of Business Research, Vol. 49, no. 1, July 2000, pp 57–65
3.   Zeithaml, V.A., Berry, L.L. and Parasuraman, A., "Communication and Control Processes in the Delivery of Service Quality," Journal of Marketing, Vol. 52, No. 2, 1988, pp. 35-48
4.   Oliver, R.L., Balakrishnan, P.V. S. and Barry, B., "Outcome Satisfaction in Negotiation: A Test of Expectancy Disconfirmation," Organizational Behavior and Human Decision Processes, Vol. 60, no. 2, 1994, Pages 252-275
5.   Based on Zeithaml, V.A., Berry, L.L. and Parasuraman, A., "Communication and Control Processes in the Delivery of Service Quality," Journal of Marketing, Vol. 52, No. 2, 1988, pp. 35-48
6.   Smith, A.M., "Measuring Service Quality: Is SERVQUAL now redundant? Journal of Marketing Management, [Special Issue: Marketing in the Services Sector], Vol 11, no. 1, 1995, pp 257-276
7.   Parasuraman, A.; Berry, Leonard L.; Zeithaml, Valarie A., "Understanding Customer Expectations of Service," Sloan Management Review, Vol. 32, no. 3, 1991, pp 39 - 48
8.   Parasuraman, A., Zeithaml, V. A., Berry, L. L., "Reassessment of Expectations as a Comparison Standard in Measuring Service Quality: Implications for Further Research," Journal of Marketing, Vol. 58 January 1994, pp 111–124
9.   Johnson, C. and Mathews, B.P., "The influence of experience on service expectations", International Journal of Service Industry Management, Vol. 8 no. 4, pp 290-305

_____