Research Paper Management

A Perspective on Service Quality and Closing Service Quality Gaps

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ABSTRACT

The Indian service sector contributes a large part to the Indian economy in terms of employment potential or its contribution to the national income. There are many challenges faced by the service providers. These challenges come from the basic characteristics of services like intangibility, inseparability, heterogeneity variability, perishability etc. Along with these challenges the service providers have to tackle with different gaps of services to provide the best qualitative services. Gaps in services design and delivery can harm relationship between services providers and customers. Therefore the goal of any service provider is to close or narrow these gaps as much as possible. The objective of this paper is to make an assessment of these service quality gaps and identify the ways to close these gaps.

KEYWORDS Service sector, service quality, service quality gaps, dimensions of service quality

1. Introduction

Services in most economies are the single largest contributor to economic growth and employment. It is widely recognized and deliberated upon that the global importance of service sector in terms of its share in Gross Output has been growing progressively in the economies of the world. Importance of the service sector which accounts the value added originating from service sector in total value added produced, needed directly and indirectly to produce gross output in the economy is increasing globally.

The share of services in India's gross domestic product (GDP) at factor cost (at current prices) has expanded from 33.3 per cent in 1950-51 to 56.5 per cent in 2012-13 as per Advance Estimates (AE). Including construction, the contribution would increase to 64.8 per cent for 2012-13. Trade, hotels and restaurants as a group is the largest contributor (18 per cent) among the various services sub-sectors, followed by financing, insurance, real estate, and business services with a 16.6 per cent share. Indian service sector enjoyed foreign direct investment (FDI) inflows amounting to US$ 4.75 billion during April-February 2012-13, according to the recent statistics released by the Department of Industrial Policy and Promotion (DIPP)

High service quality is imperative and important for competitiveness of service industry. In order to provide much quality service, a deeper research on service quality models is necessary. There are plenty of service quality models which enable managers and practitioners to identify quality problems and improve the efficiency and profitability of overall performance. One of the most influential models in the service quality literature is the model of service quality gaps. Several conceptual models have been developed by different researchers for measuring service quality. It is envisaged that conceptual models in service quality enable management to identify quality problems and thus help in planning for the launch of a quality improvement program, thereby improving the efficiency, profitability and overall performance.

2. Government Initiatives for service sector in India

The Indian Government has taken many policy initiatives to liberalise the FDI policy for the services sector including liberalising the policy on foreign investment for companies operating in the broadcasting sector, like increasing the foreign investment limit from 49 per cent to 74 per cent in teleports (setting up up-linking HUBs/teleports) and direct to home (DTH) and cable networks, and permitting foreign investment of up to 74 per cent in mobile TV. Foreign airlines have also been permitted to make investment up to 49 per cent in scheduled and non-scheduled air transport services. Last but not the least; it has permitted FDI, up to 51 per cent, in multi-brand retail trading and amended the existing policy on FDI in single-brand product retail trading.

3. What is Service Quality?

Some important definitions of service quality are as follows:

Parasuraman et al., (1985): "Service quality is determined by the differences between customer's expectations of services provider's performance and their evaluation of the services they received".

Asubonteng et al. (1996): "Service quality can be defined as "the difference between customers' expectations for service performance prior to the service encounter and their perceptions of the service received".

4. Identifying Seven Services Quality Gaps

4.1 The Knowledge Gap occurs when the service provider is unaware of what customers expect.

4.2 The Standards Gap occurs when there is difference between management's perceptions of customer expectations and the quality standards established for service delivery.

4.3 The delivery Gap occurs when the service providers cannot deliver the services as per customers' expectations.

4.4 The Internal Communication Gap occurs when the advertisement of the services done by organization is different from the employees' perception about the quality level, performance and features of the services what the company is able to deliver.

4.5 The Perception Gap occurs when there is a difference between what is actually delivered and what customers think they have received.

4.6 The Interpretation gap occurs when the promises given to customers before service delivery are interpreted differently.

4.7 The service gap occurs when there is a difference between what customers expect to receive and their perception of the service which is actually delivered to them.



(Source: Lovelock Christopher and et al, Services marketing: People, Technology, Strategy. (2011) Pearson Percentile Hall)

5. Closing Services Quality Gaps

5.1 Ways to Close The Knowledge Gap

- Improve interactions between front line staff and customers.
- Understand customer expectations by market research.
- Implement an effective customer feedback system.

5.2 Ways to Close The Standards Gap

- Establish clear service goals which are realistic.
- Reinforce customer-oriented service standards for all work units.
- Ensure consistency and reliability by improving work methods.

5.3 Ways to Close The Delivery Gap

- Proper distributions of work to eliminate role conflict among employees.
- Recruit the employees who are best fit for the job.
- Provide training to employees for time management.
- Retain employees by providing good rewards.
- Build cross functional service teams that can solve customer queries.

5.4 Ways to Close The Internal communications gap

- Involve frontline employees and operations personnel in the task of marketing communication.
- Seek comments from frontline employees about proposed advertising campaigns.
- Get sales staff to involve operations staff in meetings with customers.
- Ensure that communications sets realistic customer expectations.

5.5 Ways to Close The Perceptions gap

- Increase interactions with the customers during service delivery and debrief after delivery.
- Tangibilize and communicate the service quality delivered.
- Provide physical evidence to get trust of the customers.
- Educate customers to see the reality of service quality delivered.

5.6 Ways to Close The Interpretation gap

- Explain the reasons for shortcoming in service performance.
- Present communication materials to a sample of customers in advance of publication.
- Ensure that communications make sure message which is clear and unambiguous.

5.7 Ways to Close The Service gap

- This gap is the result of all above gaps
- If all the above gaps are closed this gap gets closed automatically.

6. Dimensions of Service Quality

6.1 Competence is the possession of the required skills and knowledge to perform the service. For example, there may be competence in the knowledge and skill of contact personnel, knowledge and skill of operational support personnel and research capabilities of the organization.

6.2 Courtesy refers to factors such as politeness, respect, consideration and friendliness of the contact personnel; consideration for the customer's property and a clean and neat appearance of contact personnel.

6.3 Credibility refers to factors such as trustworthiness, belief and honesty. It involves having the customer's best interests at prime position. It may be influenced by company name, company reputation and the personal characteristics of the contact personnel.

6.4 Security represents the customer being free from danger, risk or doubt including physical safety, financial security and confidentiality.

6.5 Access refers to approachability and ease of contact with the service provider.

6.6 Communication means both informing customers in a language they are able to understand and also listening to customers. A company may need to adjust its language for the varying needs of its customers. Information might include for example, explanation of the service and its cost, the relationship between services and costs and assurances as to the way any problems are effectively managed.

6.7 Knowing the customer means making an effort to understand the customer's individual needs, providing individualized attention, recognizing the customer when they arrive and so on. This in turn helps in delighting the customers i.e. rising above the expectations of the customer.

6.8 Tangibles are the physical evidence of the service, for instance, the appearance of the physical facilities, tools and equipment used to provide the service; the appearance of personnel and communication materials and the presence of other customers in the service facility.

6.9 Reliability is the ability to perform the promised service in a dependable and accurate manner. The service is performed correctly on the first occasion, the accounting is correct, records are up to date and schedules are kept.

6.10 Responsiveness refers to the readiness and willingness of employees to help customers in providing prompt timely services, for example, mailing a transaction slip immediately or setting up appointments quickly.

7. Customer Satisfaction and Service Quality

Customer satisfaction is a critical issue in the success of any business system, traditional or online. Satisfaction occurs when someone successfully achieves his/her goals. Customer satisfaction can be obtained when the actual performance exceeds the expectations of those being served. If product performance is worse than expected performance, negative disconfirmation occurs and leads to dissatisfaction In a turbulent commerce environment, in order to sustain the growth and market share, companies need to understand how to satisfy customers, since customer satisfaction is critical for establishing long-term client relationships.

8. Conclusion

Service quality is a concept that has aroused considerable interest and debate in the literature, because of the difficulties in both its definition and measurement with no overall consensus emerging on either. There are a number of different definitions for service quality. One which is common defines service quality as the extent to which a service meets customers' needs or expectations, According to the service quality gaps model, service quality can be defined as the difference between customer expectations of service and perceived ser-

vice (as a basis for SERVQUAL). If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs.

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