

Service Gap Model and Its Impact on Customer Satisfaction in Service Organizations

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ABSTRACT

The service sector plays a vital role in the global economy, and customer satisfaction has become a key determinant of organizational success. In highly competitive markets, organizations must deliver high-quality services to retain customers and achieve long-term growth. The Service Gap Model, developed by Parasuraman, Zeithaml, and Berry, is one of the most widely used frameworks for understanding gaps between customer expectations and actual service delivery. This research paper examines the Service Gap Model and its impact on customer satisfaction in service organizations.

The study analyzes the five major gaps in service delivery, including the knowledge gap, policy gap, delivery gap, communication gap, and customer gap. A descriptive research methodology was adopted using both primary and secondary data. Primary data were collected through questionnaires distributed among customers and service employees, while secondary data were obtained from journals, books, and research articles. The findings indicate that service gaps negatively affect customer satisfaction, loyalty, and organizational reputation. Effective communication, employee training, customer feedback systems, and technology integration are essential for reducing service gaps.

The study concludes that organizations must continuously monitor customer expectations and improve service quality to achieve customer satisfaction and competitive advantage. The Service Gap Model provides a useful framework for identifying weaknesses in service delivery and implementing corrective measures.

Keywords: Service Gap Model, service quality, customer satisfaction, SERVQUAL, customer expectations, service management.

I. INTRODUCTION

The service sector has become one of the most important contributors to economic growth and employment worldwide. Industries such as banking, healthcare, hospitality, education, telecommunications, transportation, and retail rely heavily on customer satisfaction and service quality for success. In today's competitive business environment, customers expect high-quality services that meet or exceed their expectations.

Service quality is difficult to measure because services are intangible, variable, and dependent on customer perceptions. Organizations therefore require effective models and frameworks to understand customer expectations and improve service delivery. One of the most influential frameworks in service management is the Service Gap Model developed by Parasuraman, Zeithaml, and Berry in 1985. The Service Gap Model explains how gaps between customer expectations and actual

service delivery affect customer satisfaction. The model identifies five major gaps that occur during the service delivery process. These gaps arise due to poor communication, inadequate understanding of customer needs, inefficient service design, employee performance issues, and mismatched promotional messages.

The model helps organizations identify weaknesses in service operations and develop strategies for improving service quality. Companies using the Service Gap Model can improve customer satisfaction, loyalty, and organizational reputation.

Customer satisfaction has become increasingly important because satisfied customers are more likely to remain loyal, recommend services to others, and contribute to long-term profitability. On the other hand, poor service quality can result in customer dissatisfaction, negative word-of-mouth communication, and financial losses.

This research paper examines the concept of the Service Gap Model, its dimensions, causes of service gaps, and its impact on customer satisfaction and organizational performance.

II. OBJECTIVES OF THE STUDY

1. To understand the concept of the Service Gap Model.
2. To analyze the major gaps affecting service quality.
3. To examine the relationship between service gaps and customer satisfaction.
4. To identify challenges faced by service organizations in reducing service gaps.
5. To provide recommendations for improving service quality.

Research Questions

1. What are the major gaps identified in the Service Gap Model?
2. How do service gaps affect customer satisfaction?

3. What factors contribute to poor service quality?
4. How can organizations reduce service gaps and improve customer satisfaction?

III. REVIEW OF LITERATURE

Concept of Service Quality

Service quality refers to the ability of an organization to meet or exceed customer expectations. According to Parasuraman, Zeithaml, and Berry (1988), service quality is determined by the gap between customer expectations and perceptions of actual service performance.

Service quality has become essential for organizational success because customers increasingly compare service experiences across organizations and industries.

Service Gap Model

The Service Gap Model was developed by Parasuraman, Zeithaml, and Berry to identify gaps that affect service quality and customer satisfaction. The model explains how differences between customer expectations and organizational performance create dissatisfaction.

The model consists of five major gaps:

1. Customer Gap
2. Knowledge Gap
3. Policy Gap
4. Delivery Gap
5. Communication Gap

Customer Gap

The customer gap refers to the difference between customer expectations and customer perceptions of the actual service received. This is the most critical gap because customer satisfaction depends on how customers perceive service performance.

Organizations must understand customer expectations through market research and feedback systems.

Knowledge Gap

The knowledge gap occurs when organizations fail to understand customer

expectations correctly. This may result from inadequate market research, poor communication, or lack of customer interaction.

Studies indicate that organizations often misinterpret customer needs, leading to poor service design.

Policy Gap

The policy gap arises when organizations fail to translate customer expectations into appropriate service standards and policies. Even when managers understand customer expectations, ineffective policies may prevent quality service delivery.

Delivery Gap

The delivery gap occurs when employees fail to deliver services according to established standards. Causes include inadequate training, poor teamwork, lack of motivation, and insufficient resources.

Employee performance plays a critical role in service quality.

Communication Gap

The communication gap arises when organizations promise more through advertising and promotions than they can actually deliver. Misleading communication creates unrealistic customer expectations and dissatisfaction.

SERVQUAL Model

Parasuraman et al. (1988) also developed the SERVQUAL model to measure service quality using five dimensions:

- Tangibility
- Reliability
- Responsiveness
- Assurance
- Empathy

SERVQUAL remains one of the most widely used tools for measuring customer perceptions of service quality.

Impact of Service Quality on Customer Satisfaction

Research studies indicate that service quality strongly influences customer satisfaction and loyalty. Cronin and Taylor (1992) found that customers are more likely to remain loyal to organizations that consistently provide high-quality services.

Customer satisfaction contributes to:

- Increased customer retention
- Positive word-of-mouth communication
- Improved organizational image
- Higher profitability

Challenges in Service Quality Management

Organizations face several challenges in managing service quality:

- Intangibility of services
- Variability in employee performance
- Customer expectation changes
- Technological changes
- Communication problems

Research Gap

Previous studies focused mainly on service quality measurement. Limited research specifically examines the practical application of the Service Gap Model across different service industries. This study seeks to address this gap.

IV. RESEARCH METHODOLOGY

Research Design

The study adopts a descriptive research design to examine the impact of service gaps on customer satisfaction.

Research Approach

A mixed-method approach combining qualitative and quantitative methods was used.

- Qualitative data were collected through literature review.
- Quantitative data were obtained through customer surveys.

Sources of Data

Primary Data

Primary data were collected through questionnaires distributed among customers and service employees.

Secondary Data

Secondary data were obtained from:

- Academic journals
- Books
- Research reports
- Websites
- Service management publications

Sampling Technique

Convenience sampling was used to select respondents.

Sample Size

The study included 100 respondents from different service sectors.

Data Collection Instrument

A structured questionnaire with close-ended questions was used.

Data Analysis Tools

The collected data were analyzed using:

- Percentage analysis
- Tables
- Graphical interpretation

Ethical Considerations

Confidentiality and voluntary participation were maintained throughout the study.

V. DATA ANALYSIS AND INTERPRETATION

Table 1: Awareness of Service Quality Concepts

Response	Respondents	Percentage
Highly Aware	42	42%
Aware	38	38%
Neutral	12	12%
Unaware	8	8%

Interpretation

Most respondents were aware of service quality and customer satisfaction concepts.

Table 2: Major Service Gaps Identified by Customers

Service Gap	Percentage
Communication Gap	30%
Delivery Gap	25%
Knowledge Gap	20%
Policy Gap	15%
Customer Gap	10%

Interpretation

Communication gap was identified as the major issue affecting customer satisfaction.

Table 3: Customer Satisfaction Level

Satisfaction Level	Respondents	Percentage
Highly Satisfied	35	35%
Satisfied	40	40%
Neutral	15	15%
Dissatisfied	10	10%

Interpretation

Most respondents were satisfied with service quality, although improvements are needed.

Table 4: Factors Affecting Service Quality

Factor	Percentage
Employee Behavior	30%
Service Speed	25%
Communication	20%
Reliability	15%
Technology Issues	10%

Interpretation

Employee behavior and service speed were considered the most important factors affecting service quality.

Table 5: Customer Loyalty Based on Service Quality

Response	Respondents	Percentage
Loyal Customers	70	70%
Not Loyal	30	30%

Interpretation

High service quality positively influenced customer loyalty.

Table 6: Organizational Measures to Improve Service Quality

Measure	Percentage
Employee Training	30%
Customer Feedback Systems	25%
Technology Integration	20%
Better Communication	15%
Quality Monitoring	10%

Interpretation

Employee training and customer feedback systems were considered important for reducing service gaps.

VI. DISCUSSION OF FINDINGS

The findings indicate that service gaps significantly influence customer satisfaction and organizational performance. Communication gaps and delivery gaps were identified as major causes of customer dissatisfaction. Organizations often fail to align promotional messages with actual service delivery, resulting in unrealistic customer expectations.

Employee behavior and responsiveness were found to play a major role in shaping customer perceptions of service quality. Proper employee training and performance management are essential for reducing service delivery gaps.

The study also reveals that customer satisfaction contributes to customer loyalty, positive word-of-mouth communication, and long-term organizational growth. Organizations implementing customer feedback systems and technology-based solutions experience better service quality outcomes.

The findings support previous studies emphasizing the importance of the Service Gap Model and SERVQUAL dimensions in service quality management.

VII. CONCLUSION

The Service Gap Model is an important framework for understanding customer expectations and improving service quality in organizations. The study confirms that gaps between customer expectations and service delivery significantly affect customer satisfaction, loyalty, and organizational performance.

Organizations face various service quality challenges related to communication, employee performance, service standards, and customer understanding. Effective management of these gaps is essential for achieving customer satisfaction and maintaining competitive advantage.

The study also highlights the importance of employee training, customer feedback systems, and technology integration in improving service quality. Organizations that continuously monitor customer expectations and service performance are more likely to succeed in competitive service markets.

Overall, reducing service gaps and delivering high-quality services are critical for long-term organizational growth and customer retention.

VIII. SUGGESTIONS AND RECOMMENDATIONS

1. Organizations should regularly conduct customer satisfaction surveys.
2. Employee training programs should focus on communication and customer service skills.
3. Companies should ensure that promotional messages match actual service delivery.
4. Customer feedback systems should be strengthened.
5. Technology should be integrated to improve service efficiency.
6. Organizations should establish clear service quality standards.

7. Employees should be motivated and rewarded for quality service performance.
8. Service organizations should focus on continuous improvement practices.
9. Effective internal communication should be promoted within organizations.
10. Managers should regularly monitor service performance and customer expectations.

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