Editor's briefing

MIND THE GAP

The service delivery chain is longer and more complex than most companies imagine, and any conflicts between the links will lead to customer dissatisfaction. Malcolm Oliver analyses the gaps.

GAP 1, between customer expectations and management perceptions of those expectations arises because companies often do not have an accurate picture of what customers expect and want from them, nor of the yardsticks against which customers will judge the firm's offering. Frequently, managers align their assumptions on *general* customer expectation too closely with their *own* requirements as a customer.

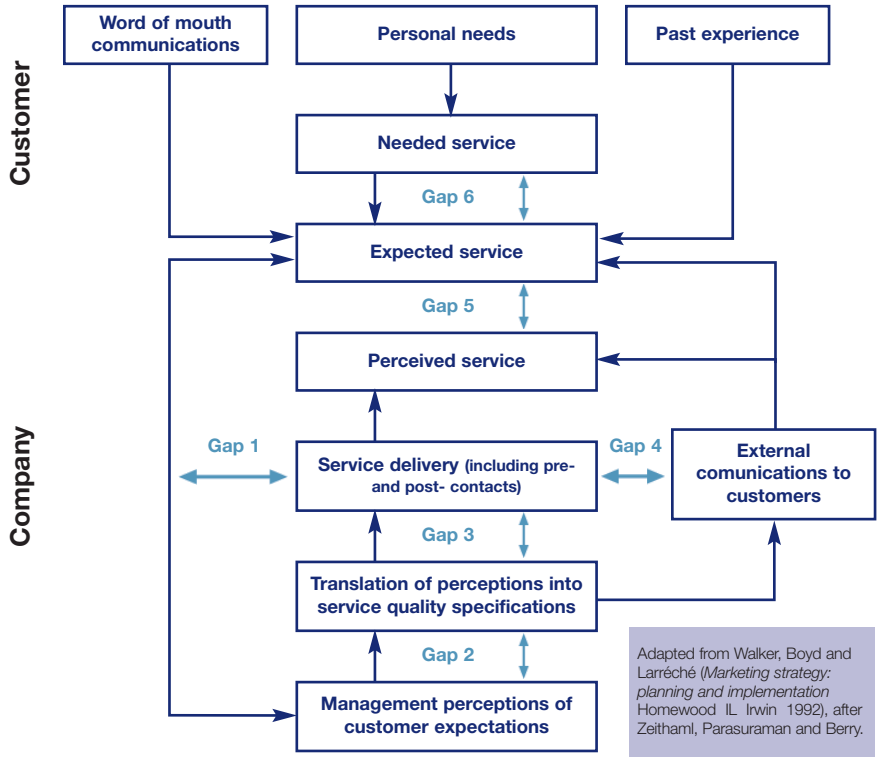
GAP 2 reflects the fact that management policies and intentions on customer service are often not implemented effectively. The policies may be unclear, or poorly communicated to employees, or not consistently enforced.

GAP 3 recognizes that accurate specifications in themselves do not produce high quality service without consistent management input to provide the necessary resources to deliver what is required. Sometimes, irreconcilable conflicts of resources are "delegated" for staff to attempt to resolve, rather than being tackled as a top management issue. As with customers, it is also important that there is a fair (and "felt-fair") sharing of added value between the company and its staff, reflecting both the effort that they put in and the wealth that they generate for the firm.

GAP 4 demonstrates the critical need to align the company's promises with the actual experience of its customers. Even totally-focused service delivery may be poorly received if it does not match up to the *expectation* generated by previous experience or by marketing communications. Disappointment is caused as much by non-fulfilment of *expectation* as by non-fulfilment of *need*.

GAP 5, between the perceived service and the expected service, is caused by the failure to close any of gaps 1–4. This is a prime source of customer dissatisfaction, and in most markets it is the principal source.

GAP 6 In financial services, and especially the longer-term sector, there is a further gap, between the expected service and the *needed* service. In most mature markets, this gap is not significant, simply because the customer is well aware of what he needs from any product or service. Such customer experience is lacking in totally new product sectors – hence the frequent dissatisfaction evident with impulse purchases of, for example, new "gadgets". But the relevant customer experience is clearly lacking as well in long-term financial services, because historically the customer has not fully understood what he has bought, or why, and because the emphasis from most companies has been on the sale of *products* rather than the *purchase* of *benefits* or *solutions*. This sort of dissatisfaction typically emerges well after the initial transaction: most pensions transfer and endowment customers were probably quite satisfied with the service they received when they took out their policies; it is only the more recent review processes that have revealed the gap between what they received and what they needed, and it is this that has catalysed the current levels of dissatisfaction. This also highlights the dangers of basing satisfaction indexes mainly on customer responses immediately after the sale.



Adapted from Walker, Boyd and Larréché (*Marketing strategy: planning and implementation* Homewood IL Irwin 1992), after Zeithaml, Parasuraman and Berry.

Copies of a more comprehensive paper by the Editor, from which this note has been extracted, are available on request.