Service Quality and GAP model: Conceptual view of Telecommunication Industry

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Abstract: *At the present time, the service dynamic environment is considered as a main point in effective marketing. It's essential to design service products based on customer's need and feasible prices. But the rate of customer participation and also the time are important in service delivery. Qualitative services, free competition and innovative technology have amplified competition and expanded the range of network services available all over the world. This increase in telecommunication capabilities allows business to benefit from the information revolution in numerous ways, such as reforming their inventories, increasing productivity, and identifying new markets. While when it comes to GAP model then generally there are four potential gaps (Knowledge gap, Service design and standard gap, Service performance gap and communication gap) exists within the service organization. If we talk about importance of service quality and GAP Model in the telecom industry, so we come to know that break at any point whether it is in qualitative services or at any stage of GAP model can vanish relationship of service organization with the existing and potential customers.*

Keywords: *Service, Service design, Service delivery, Qualitative Services, Potential Gap etc.*

1. INTRODUCTION:

Telecom is one of the prime services needed for the rapid growth and modernization of various sectors of the economy. Economy becomes handicapped in the absence of a sound telecom network system. The postal and telecom sectors had a slow and uneasy start in India. In 1850, the first experimental electric telegraph Line was started between Calcutta and Diamond Harbour. In 1851, it was opened for the British East India Company. The Posts and Telegraphs department occupied a small corner of the Public Works Department, at that time.

Indian Radio Telegraph Company (IRT) was formed in 1923. Since then the sector has undergone many changes. After independence, the task of providing telecom services was taken up by Public Sector Undertakings, which were established under the Department of Telecommunications (DOT) for Local, STD and International call (ISD) needs. The Government did its best to make the telecom network increase by leaps and bounds. The telecom sector reforms so far have been undertaken in three phases. The first phase began in the early 80. A rise of individual STD/ISD/PCO networks also took place throughout the country, by way of private individual franchises. Mahanagar Telephone Nigam Limited (MTNL) was created out of the Department of Telecommunications (DOT) to handle the sectors of Mumbai and Delhi respectively. A high-powered telecom commission was set up in 1989, and Videsh Sanchar Nigam (VSNL) was made the international service provider catering to all telecom services originating from India.

The second phase of reforms in the telecom sector had commenced in 1991 with the announcement of a new economic policy. To begin with, the government de-licensed the manufacture of telecom equipment in 1991. It also opened up radio paging services in 1992. In 1994, basic telephony was opened to the private sector by granting six companies with operating licenses. These companies were Bharti Telenet, Essar Commvision, Shyam Telecom, Hughes Telecom, Tata Teleservices and Reliance. The National Telecom Policy announced in 1994 was part of this second phase of reforms. It emphasized Universal Service and Qualitative Improvement in telecom services.

Third phase was followed by the setup of TRAI (The Telecom Regulatory Authority of India) in 1997. TRAI has a job to generate and encourage the conditions for growth of telecommunications in the country at a pace, which will enable India to play a leading role in emerging global information society. The third phase of reforms began with the announcement of the New Telecom Policy in 1999. The underlying theme of NTP was to lead full competition through unrestricted entry of private players in all service sectors. The policy favoured the migration of existing operators from the era of fixed license fee regime to that of revenue sharing. Based on the government recommendations of TRAI, the government introduced unified licensing regime on October 31, 2003, which gave a major boost to this industry permitting cellular mobile service using any technology. And today, the Indian mobile sector has grown up by leaps and bounds.

The Indian telecom industry is the world's fastest growing telecom industry. It is also the second largest telecommunication network in the world in terms of number of wireless connections after China but at the same time, in cellular mobile service sector, the clients shift out rate is much greater than any other service sector. Now

companies have to enhance the quality of services to retain their customer so that they adhere to the same company for much longer. Cellular services can be divided into two categories: Global System for Mobile Communications (GSM) and Code Division Multiple Access (CDMA).

As per the ITU (International Telecommunication Union) Quality of Service is a set of quality requirements on the collective behaviour of one or more objects. It is basically the level of guaranteed services to a user. Nowadays the level of guaranteed service is very important for an organization to progress and survive in this competitive market. An organization needs both to meet and exceed the expectations of the customer. The basic criterion on which a customer expects from a company is their past experiences, others' past experiences (word of mouth) and the marketing strategy of the company. The superiority of services delivered to the customers are directly proportional to the satisfaction level of customers and word of mouth as each customer generally compares the tangible services with their own expectations and if the tangible one falls below their expectations, the customer generally is disappointed and that affects his loyalty towards the company. [1, 5, 6]

3. OBJECTIVES OF THE STUDY:
- To study the dimensions of service quality in service sector.
- To analyse different types of service gaps.

4. SERVICE QUALITY:
The definition of quality may vary from person to person and from situation to situation. The definitions of service quality vary only in wording but typically involve determining whether perceived service delivery meets, exceeds or fails to meet customer expectations. Service quality is the degree and direction of difference between the consumer's perceptions and expectations, or the extent to which a service meets or exceeds customer expectations. So the service quality is the difference between customer's expectations and perceptions of services delivered by a service firm. [2, 5, 6]

3.1 SERVICE QUALITY (SERVQUAL) DIMENSIONS:
Reliability:
- Providing service as promised.
- Dependability in handling customer service problems.
- Execution of right services at the first time.
- Providing services at the promised time.
- Maintaining error-free records.

Responsiveness:
- Inform to customers as to when services will be performed.
- Prompt service to customers.
- Willingness to help customers.
- Readiness to respond to customer's requests.

Assurance:
- Employees who encourage confidence in customers.
- Making customers feel safe in their transactions.
- Employees who are consistently polite.
- Employees who have the knowledge to answer customer questions.

Empathy:
- Giving customers individual attention.
- Employees who deal with customers in a caring fashion.
- Having the customer's best interest at heart.
- Employees who understand the needs of their customers.
- Convenient business hours.

Tangibles:
- Modern equipment.
- Visually appealing facilities.
- Employees who have a neat, professional appearance.
- Visually appealing materials associated with the service.

4. GAP MODEL

Customer gap is the difference between Customer expectations and perceptions – the Service quality gap. Perceived service quality can be defined as the difference between consumers' expectation and Perceptions which eventually depends on the size and the direction of the five major gaps concerning the delivery of service quality on the company's side.

Customer Gap = f (Gap 1, Gap 2, Gap 3, Gap 4, Gap 5)

The magnitude and the direction of each gap will affect the Service quality. For example, Gap 3 will be positive if the supply of a service go beyond the standards of service required by the organization, and it will be unfavourable when the specifications of the service delivered are not met.

FIGURE: GAP Model
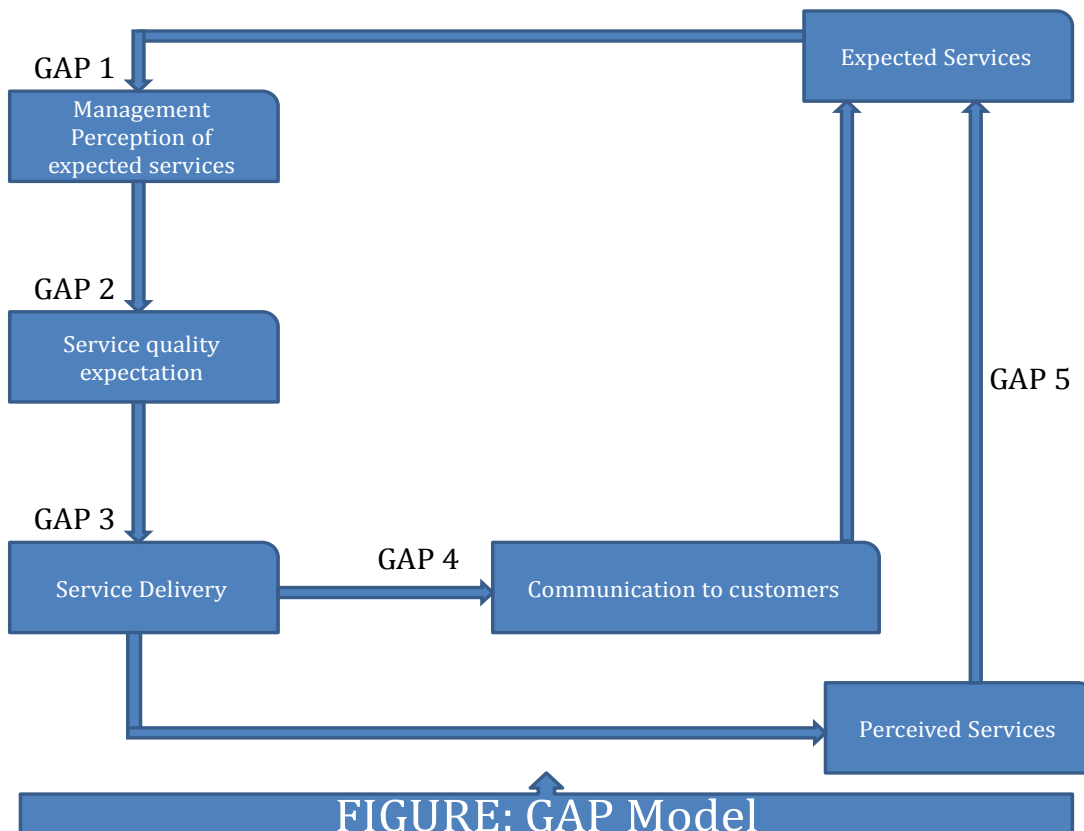
4. 1. Provider Gap 1 (The Knowledge Gap):

In this gap Service operators generally don't know what customers expect. Following factors lead to this gap.

Inadequate marketing research orientation
- o   Insufficient marketing research
- o   Research not focused on service quality
- o   Inadequate use of market research

Lack of upward communication
- o   Lack of interaction between management and customers
- o   Insufficient communication between contact employees and managers
- o   Too many layers between contact personnel and top management

Insufficient relationship focus
- o   Lack of market segmentation
- o   Focus on transactions and new customers rather than relationship with customers

Inadequate service recovery
- o   Lack of encouragement to listen to customer complaints
- o   Failure to make amends when things go wrong
- o   No appropriate recovery mechanisms in place for service failures

4. 2. Provider Gap 2 (Service design and standards gap):

In this gap Service operators generally do not select the right service designs and standards. Following factors lead to this gap.

Poor service design
- o   Unsystematic new service development process
- o   Unclear, undefined service designs
- o   Failure to connect service design to service positioning

Absence of customer-driven standards
- o   Lack of customer-driven service standards
- o   Absence of formal process for setting service quality goals

Inappropriate physical evidence and services cape
- o   Failure to improve tangibles in line with customer beliefs
- o   Inadequate maintenance and updating of the services cape

4. 3. Provider Gap 3 (The Service Performance Gap):

In this gap Service operators generally do not deliver to service standards. Following factors lead to this gap.

Deficiencies in human resource policies
- o   Ineffective recruitment
- o   Role ambiguity and role conflict
- o   Inappropriate evaluation and compensation systems
- o   Lack of empowerment, perceived control, and teamwork

Problems with service intermediaries
- o   Channel conflict over objectives and performance
- o   Difficulty controlling quality and consistency
- o   Tension between empowerment and control

Failure to match supply and demand
- o   Failure to smooth peaks and valleys of demand

4.4 . Provider Gap 4 (The Communication Gap):
In this gap Service operators generally do not match service performance that they have promised to their customers. Following factors lead to this gap.

Lack of integrated services marketing communications
- o   Tendency to look every exterior communication as sovereign
- o   Lack of strong inner marketing program

Ineffective management of customer expectations
- o   Absence of customer expectation management through all forms of communication
- o   Lack of adequate education for customers

Overpromising
- o   Overpromising in advertising
- o   Overpromising in personal selling
- o   Overpromising through physical evidence cues

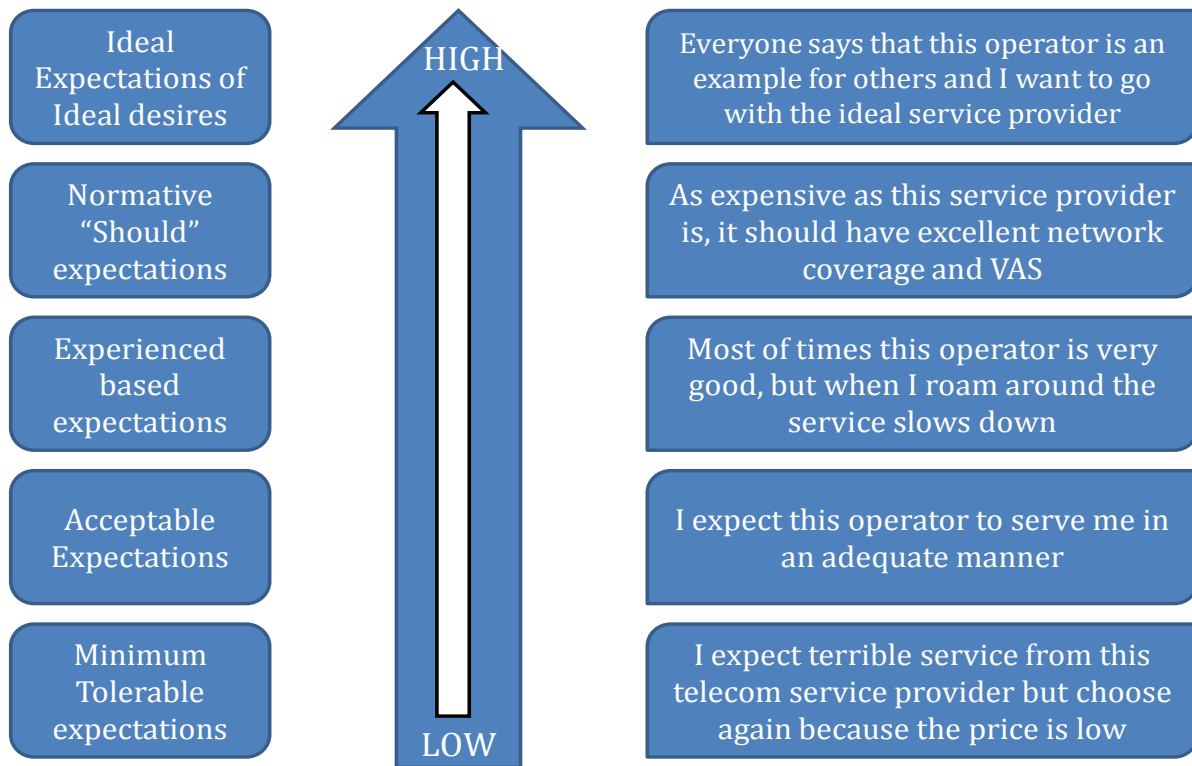**Inadequate horizontal communications**
- o   Insufficient communication between sales and operations
- o   Insufficient communication between advertising and operations
- o   Differences in policies and procedures across branches or units

5. SERVICE QUALITY GAP
Successful delivery of services is incomplete without the customers as they are often extant at the place where services are delivered. Customers alone can effect whether the supplied service is as per customer defined stipulations or not. Extra customers who are present at the service places can also influence the service negatively or positively. Customers hold diverse expectations for services. A gap is the dissimilarity, disproportion or discrepancy which is determined to be between customer's perception of firm performance and their prior expectation. Service quality (SQ) supposed by customers is thus as outcome of a evaluation of customers' expectation (E) of services that the business should offer versus their perception of the performance (P) delivered by the service firm. [3, 4, 7, 8]

Service Quality (SQ) = Customer's Perception (P) – Customer's Expectations (E)

Management of service quality largely places emphases on to the managing the gaps between expectations and perceptions of customer. The objective of the service firm is to reduce the gap between (P) and (E). This issue is defined with the example of telecommunication industry in following figure:

Ideal Expectations of Ideal desires	Everyone says that this operator is an example for others and I want to go with the ideal service provider
Normative "Should" expectations	As expensive as this service provider is, it should have excellent network coverage and VAS
Experienced based expectations	Most of times this operator is very good, but when I roam around the service slows down
Acceptable Expectations	I expect this operator to serve me in an adequate manner
Minimum Tolerable expectations	I expect terrible service from this telecom service provider but choose again because the price is low

HIGH

LOW

FIGURE: TYPES OF SERVICE EXPECTATIONS IN TELECOM

6. CONCLUSION:

Eventually to conclude our study we can say that in the telecom industry customer plays an important role. We should make realistic accurate promises that reflect the service actually delivered rather than idealized version of service and use market research to determine sources of derived customer expectation and their requirement.

Service quality will facilitate the satisfaction of unsatisfied users. This also means operators will have to put more effort on to provide better services to retain the customers, better services mean the companies will have to set up more mobile phone towers, upgrade their equipment and provide instant rectification of problems so that the subscribers are always able to get connected, surf the internet and make full use of their mobile telephones. There are some additional factors which affect quality of services. These are customer awareness, launch of services by new operators, attractive/aggressive tariff plans, innovative services, VAS offerings, time to resolve disputes etc., In India, several new operators are entering the market and the monthly addition of new subscriber is still very high.

The GAP model evidently regulates the two different kinds of gaps in service promotion, namely the customer gap and the provider gaps. This model really views the services as a structured, integrated model which connects external customers to internal services between the different functions in a service organization. Telecom service providers must think on reducing the gap between the customer expectation and customer perception. Because gap deduction will help to serve better to the customers and contributes in brand image, profit maximization and footfall of customers towards the operator.

7. RECOMMENDATIONS:

- In this competitive scenario, Operators should conduct systematic marketing research to know the customer satisfaction for the service quality that will include customers' perception and expectations both.
- Make senior managers interact with customers and occasionally perform customer-contact roles for service quality and to fill the relationship gap.
- Encourage upward communication from customer-contact employees.
- Make a draft of the service and systematize as many mechanisms of it as possible and institute a formal, ongoing process for setting service stipulations.
- Eliminate "perception of infeasibility" on the part of senior managers and make a true commitment to improve service quality.
- Invest in ongoing employee training and support employees with appropriate technology and information systems.
- Reduce role conflict and role ambiguity among customer-contact employees.

- Have consistent customer-related policies and procedures across branches or departments and resist the temptation to promise more than the organization can deliver.
- Service provider must pay heed on service quality and its five key dimensions: reliability, responsiveness, empathy, assurance, and tangibles.
- Customer Care is an important area and produces direct impact on customer satisfaction. Service provider should take efforts for better customer care.
- Customer stays happy with the availability of Value Added Services along with good network coverage.

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