

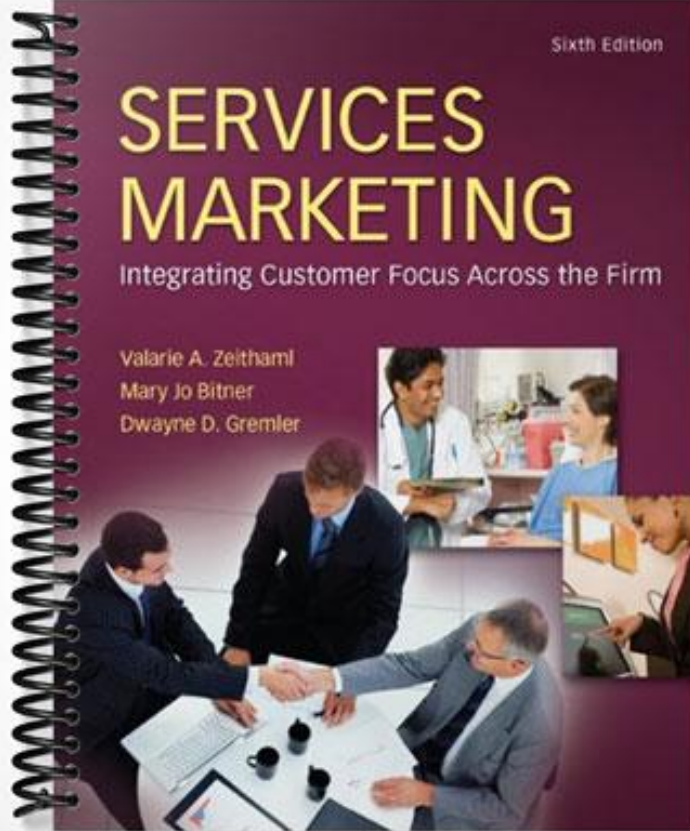
TEST BANK

Sixth Edition

SERVICES MARKETING

Integrating Customer Focus Across the Firm

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Chapter 02

Conceptual Framework of the Book: The Gaps Model of Service Quality

Multiple Choice Questions

1. (p. 35) The central focus of the gaps model of service quality is the:
- A. Constant need to provide value for dollars spent
 - B. Four dimensions of service
 - C. Difference between customer expectations and perceptions**
 - D. Temptation to handle services as if they were tangibles
 - E. Customer-employee-supplier triumvirate

Difficulty: Moderate

2. (p. 35) The sources of customer expectations are market-controlled factors such as:
- A. The individual's innate needs
 - B. The individual's previous experiences
 - C. Word-of-mouth communication
 - D. Sales promises**
 - E. What the competition is offering

Difficulty: Moderate

3. (p. 36) To close the customer gap, the gaps model of service quality suggests that the _____ gaps need to be closed.
- A. Services marketing
 - B. Service dimensions
 - C. 4 Ps
 - D. Provider**
 - E. Value

Difficulty: Easy

4. (p. 35) The _____ gap is the difference between customer expectations and perceptions.

- A.** Customer
- B. Service
- C. Value
- D. Quality
- E. Delivery

Difficulty: Easy

5. (p. 35) Customer _____ are the standards for performance against which service experiences are compared.

- A. Perceptions
- B.** Expectations
- C. Attitudes
- D. Judgments
- E. Wants

Difficulty: Easy

6. (p. 35) Which of the following is NOT a source of customer expectations?

- A. Word-of-mouth communications
- B. Advertising
- C. Pricing
- D. Sales promises
- E.** Target market

Difficulty: Easy

7. (p. 36) Provider _____ is the difference between customer expectations of service and company understanding of those expectations.

- A.** Gap 1
- B. Gap 2
- C. Gap 3
- D. Gap 4

Difficulty: Easy

8. (p. 37) Which of the following factors is NOT a factor leading to provider gap 1?

- A. Inadequate marketing research orientation
- B. Over-promising**
- C. Lack of upward communication
- D. Insufficient relationship focus
- E. Inadequate service recovery

Difficulty: Easy

9. (p. 36-37) Which of the following would result in a broadening of provider gap 1?

- A. The service intermediary for a cruise line wants to only sell those cruises on which it would receive the highest commissions
- B. The ski resort has an over-reliance on price to smooth demand for its resort facilities
- C. The marketing research done by the motel chain includes insufficient research about what its target market wants**
- D. The ads for the language program over-promise how quickly the average person will be able to learn a foreign language
- E. All of the above would result in a broadening of provider gap 1

Difficulty: Challenging

10. (p. 36-37) Enterprise Rent-A-Car closely ties customer service to employee success. With a tracking system called the Enterprise Service Quality Index (ESQi), the company routinely follows up with customers by phone to determine their level of satisfaction with the company. Only completely satisfied customers count toward an employee ESQi score, which is used to measure employee's potential for promotion. Enterprise closes provider _____ by using marketing research.

- A. Gap 1**
- B. Gap 2
- C. Gap 3
- D. Gap 4

Difficulty: Challenging

11. (p. 36-37) The Oaks at Ojai is an award-winning destination spa in California. Two thirds of The Oaks' guests are repeat visitors who return to the spa for a fun and relaxing service experience unsurpassed by other spas. Just before heading home, each guest is asked to complete a questionnaire and provide feedback about his or her experience. Questions are specific and management meets weekly to review and discuss the improvements suggested by guests. Each guest who completed a questionnaire receives a letter of thanks with a promise to follow up on any issues mentioned. By conducting research and focusing on customer relationships, The Oaks is closing provider _____ of the gaps model of service quality.

- A.** Gap 1
- B. Gap 2
- C. Gap 3
- D. Gap 4

Difficulty: Moderate

12. (p. 36-37) When IKEA, the world's largest furniture retailer, wanted to open a store in Chicago, the company asked groups of customers to dream up their ideal shopping experience and draw a design for a store that would satisfy their needs. IKEA subsequently incorporated the customers' ideas into the service design for the store. Instead of simply conducting surveys to determine customer expectations, IKEA put customers in a "wish mode" and successfully used an innovative approach to close provider _____ of the gaps model of service quality.

- A.** Gap 1
- B. Gap 2
- C. Gap 3
- D. Gap 4

Difficulty: Moderate

13. (p. 36-37) Telepizza S.A. is a Spanish pizza restaurant chain that offers children membership in its magic club. The magic club gives its members small prizes, usually simple magic tricks, with each order their parents place. Telepizza has 65 percent of the Spanish market as a result of using _____ marketing.

- A. Transactional
- B. Developmental
- C. Proactive
- D.** Relationship
- E. Acquisition

Difficulty: Moderate

14. (p. 36-37) Telepizza S.A. is a Spanish pizza restaurant chain that offers children membership in its magic club. The magic club gives its members small prizes, usually simple magic tricks, with each order their parents place. Telepizza's use of a frequency marketing program has allowed it to narrow provider _____ of the gaps model of service quality.

- A. Gap 1
- B. Gap 2
- C. Gap 3
- D. Gap 4

Difficulty: Moderate

15. (p. 36-37) Companies that emphasize acquiring new customers rather than retaining current customers are using _____ marketing.

- A. Transactional
- B. Developmental
- C. Proactive
- D. Relationship
- E. Acquisition

Difficulty: Moderate

16. (p. 36-37) Service providers like insurance companies that emphasize acquiring new customers rather than retaining current customers are broadening provider _____ of the gaps model of service quality.

- A. Gap 1
- B. Gap 2
- C. Gap 3
- D. Gap 4

Difficulty: Moderate

17. (p. 36-37) Hertz Car Rental has a customer loyalty program called Gold Plus Rewards that rewards members with one point per dollar spent on qualifying rentals. Free weekend rentals can be earned for as few as 500 points. By having a customer loyalty program, Hertz is using _____ marketing.

- A. Transactional
- B. Developmental
- C. Proactive
- D.** Relationship
- E. Acquisition

Difficulty: Moderate

18. (p. 36-37) The 25th Hour Inc. is a business that runs errands for people. Its employees have been called in to care for a toddler when her mother went into labor, to buying groceries for a mother who wanted to attend her child's soccer game and to decorate for parties. If any customer is not completely happy with the service The 25th Hour provides, its employees are told to immediately refund the customer's money (less any expenses) as soon as the complaint is made known. This sort of service recovery policy helps to narrow provider _____ of the gaps model of service quality.

- A.** Gap 1
- B. Gap 2
- C. Gap 3
- D. Gap 4

Difficulty: Moderate

19. (p. 37) Frequent travelers on airlines know one of the costs of traveling is damaged baggage, but they also know that each airline will either repair or replace any luggage damaged by its baggage handlers. The ability to count on this service in the event a handle is torn off or the side of a bag is gashed helps the airlines narrow provider _____ of the gaps model of service quality.

- A.** Gap 1
- B. Gap 2
- C. Gap 3
- D. Gap 4

Difficulty: Moderate

20. (p. 37) The Ritz-Carlton Hotel trains each employee to note the likes and dislikes of regular customers and record this information into a computerized guest history profile that provides information on the preferences of 240,000 repeat Ritz-Carlton customers. Through the use of this customer database, the Ritz-Carlton is able to provide more personalized service to its guests. If, for example, a guest prefers a feather pillow or always orders a glass of sherry before retiring, this information can be entered in the database and these needs can be anticipated and met. By providing more personalized service, the Ritz-Carlton is narrowing provider _____ of the gaps model of service quality.

- A.** Gap 1
- B. Gap 2
- C. Gap 3
- D. Gap 4

Difficulty: Moderate

21. (p. 37,39) Provider _____ is the difference between company understanding of customer expectations and the development of customer-driven service designs and standards.

- A. Gap 1
- B.** Gap 2
- C. Gap 3
- D. Gap 4

Difficulty: Easy

22. (p. 39) _____ standards are operations standards set by a service firm to correspond to customer expectations.

- A. Company-driven
- B. Competitor-driven
- C. Contact employee-driven
- D.** Customer-driven
- E. Management-defined

Difficulty: Moderate

23. (p. 39) Which of the following factors leads to provider gap 2?

- A.** Inappropriate physical evidence and servicescape
- B. Inadequate marketing research
- C. Lack of integrated services marketing communications
- D. Failure to match supply and demand
- E. Inadequate horizontal communications

Difficulty: Easy

24. (p. 39) Service companies can close provider gap 2 by doing all of the following EXCEPT:

- A. Using a systematic new-service development process
- B. Developing customer-defined service standards
- C. Designing and using an appropriate servicescape
- D.** Improving communication between the marketing and operations departments
- E. Creating formal process for setting service quality standards

Difficulty: Easy

25. (p. 39-40) FedEx developed a 12-item statistical Service Quality Indicator to measure customer satisfaction and service quality. The index is comprised of customer-defined performance standards such as number of missed pick-ups, number of lost packages and number of late deliveries. Each of the performance standards is weighted based on the relative importance of each standard to customers. By developing a Service Quality Indicator that incorporates customer-defined performance standards, FedEx is closing provider _____ of the gaps model of service quality.

- A. Gap 1
- B.** Gap 2
- C. Gap 3
- D. Gap 4

Difficulty: Easy

26. (p. 40) Historically, the Japanese have had poor dental care. As part of their beauty regimen, the Japanese do have a habit of lightening and whitening their skin. Teethart has developed "tooth manicure" salons, which allow Japanese to match their teeth coloration to their skin. Each treatment takes place in a private booth, which contains an ergonomically-designed chair, muted lights and New Age-style music. The walls are painted calming shade of blues and greens. By using physical evidence to reduce anxiety, Teethart is narrowing provider _____ of the gaps model of service quality.

- A. Gap 1
- B. Gap 2**
- C. Gap 3
- D. Gap 4

Difficulty: Easy

27. (p. 40) The romantic mountain getaway seemed like the perfect Valentine's Day gift. The pictures in the brochure showed couples enjoying the amenities in their cabins. When the couple arrived, they found a cold, uninviting cabin with a shortage of creature comforts--no down-filled blankets, no wood for the fireplace, paper plates and cups and a broken chair. In this service example, the _____ was not what the customers expected.

- A. Internal marketing
- B. Management-driven service
- C. Interactive communication
- D. Relationship marketing
- E. Servicescape**

Difficulty: Moderate

28. (p. 39-40) The Oaks at Ojai is an award-winning destination spa in California. Two thirds of The Oaks' guests are repeat visitors who return to the spa for a fun and relaxing service experience unsurpassed by other spas. The owner and staff of The Oaks are committed to delivering the best service possible. Each employee is carefully selected and trained, every event happens with precision, guest questionnaires are thoroughly reviewed, and improvements suggested by guests are implemented. By having service standards that reflect what customers expect, The Oaks at Ojai is closing provider _____ of the gaps model of service quality.

- A. Gap 1
- B. Gap 2**
- C. Gap 3
- D. Gap 4

Difficulty: Moderate

29. (p. 40) Home Design is a reasonably priced source for home decorating items like bronze bookends and silver candlesticks. Until its recent remodeling, customers who happened into the store were often disappointed because they expected the store to be a discount store. The front of the store had some masonry damage. Its parking lot needed repaving. Its store windows were stained and one was cracked. Now customers who enter the store expect to find unique decorating items because the outside of the store is so tastefully done. This change in servicescape was a way to narrow provider _____ of the gaps model of service quality.

- A. Gap 1
- B. Gap 2**
- C. Gap 3
- D. Gap 4

Difficulty: Moderate

30. (p. 39-40) When the toddler's ball rolled under the motel bed, his mother was surprised to find a dirty sock and used crumpled tissues under the bed also. This physical evidence of service was not what the mother expected to find in this luxury hotel and served to broaden the provider _____ of the gaps model of service quality.

- A. Gap 1
- B. Gap 2**
- C. Gap 3
- D. Gap 4

Difficulty: Moderate

31. (p. 40) Provider _____ is the discrepancy between the development of customer-driven service standards and actual service performance by company employees.

- A. Gap 1
- B. Gap 2
- C. Gap 3**
- D. Gap 4

Difficulty: Moderate

32. (p. 41) Which of the following factors does NOT cause provider gap 3?

- A. Ineffective employee recruitment
- B. Failure to match supply and demand
- C. Efficient marketing research systems**
- D. Channel conflict over objectives and performance
- E. Lack of employee empowerment, perceived control and teamwork

Difficulty: Easy

33. (p. 41) Provider gap 3 of the gaps model of service quality is caused by:

- A. Failure to match supply and demand
- B. Advertising that over-promised**
- C. Failure to connect service design to service positioning
- D. Inadequate maintenance of servicescape
- E. A tendency to view each external communication as independent

Difficulty: Easy

34. (p. 41) Service companies can close provider gap 3 by doing any of the following EXCEPT:

- A. Teaching customers to perform their roles appropriately
- B. Synchronizing supply and demand
- C. Motivating intermediaries to meet company service goals
- D. Empowering employees
- E. Developing customer-defined service standards**

Difficulty: Easy

35. (p. 40-41) The owner of a small but growing business, Terry Franklin was becoming overwhelmed with requests from his outside customer service representatives for decisions about solutions to customer problems. Noting the mountain of his own work that was piling up, he instituted a policy change and informed the representatives. “Keep the customers happy,” he said. “If it’s a problem that takes less than \$100.00 to fix, there’s no need to call me. Use your judgment and go ahead and fix it.” Terry Franklin is using empowerment to narrow provider _____ of the gaps model of service quality.

- A. Gap 1
- B. Gap 2
- C. Gap 3**
- D. Gap 4

Difficulty: Moderate

36. (p. 41) In India weddings are timed to occur when Venus is in the ascendant and Jupiter is strong. This day is deemed lucky. In 2005, almost 15, 000 couples in New Delhi had their wedding on December 25, the day astrologers announced would be the best day for a wedding. It is very likely that wedding planners in New Delhi have difficulty narrowing provider _____ of the gaps model of service quality due to their inability to match supply and demand.

- A. Gap 1
- B. Gap 2
- C. Gap 3**
- D. Gap 4

Difficulty: Moderate

37. (p. 41) Jiffy Lube, a franchiser of 10-minute oil and lubrication services, has been plagued by a lack of consistency across franchise outlets. The lack of consistency has resulted from Jiffy Lube's failure to require franchisees to adhere to common service standards as it rapidly expanded its franchise business across the U.S. Jiffy Lube's failure to require franchisees to adhere to common service standards has led to provider _____ of the gaps model of service quality.

- A. Gap 1
- B. Gap 2
- C. Gap 3**
- D. Gap 4

Difficulty: Moderate

38. (p. 41) The New York Palace, an upscale hotel in New York City, synchronizes demand and hotel capacity by offering an attractively priced weekend package during the fall when demand for its rooms slows down. In addition to having a luxury-filled weekend at the New York Palace for \$219 per night, guests enjoy very select privileges from Saks Fifth Avenue. Its weekend package provides a personal shopping coordinator, complimentary gift wrap and package delivery to the hotel, individual beauty consultation and a 10 percent Saks discount. The New York Palace's weekend package closes provider _____ of the gaps model of service quality.

- A. Gap 1
- B. Gap 2
- C. Gap 3**
- D. Gap 4

Difficulty: Moderate

39. (p. 44) Olivia and Ian were due to be wed last March when a tornado blew down the church where the wedding was to be held. Even though the wedding was postponed and they risked losing over one thousand dollars in deposits, they were not worried because they had purchased wedding insurance. The salesperson had guaranteed they would have a perfect wedding no matter what happened. When Ian called the insurance agent, he learned that the policy did not provide coverage if the wedding was postponed due to an act of nature such as a tornado. In this case, provider _____ of the gaps model of service quality was apparent as their "perfect wedding" did not happen as promised.

- A. Gap 1
- B. Gap 2
- C. Gap 3
- D. Gap 4**

Difficulty: Moderate

40. (p. 44) Provider _____ is the difference between service delivery and the service provider's external communications.

- A. Gap 1
- B. Gap 2
- C. Gap 3
- D. Gap 4**

Difficulty: Moderate

41. (p. 44) Which of the following factors does NOT lead to provider gap 4?
- A. Absence of strong internal marketing program
 - B. Over-promising in advertising
 - C. Insufficient communication between advertising and operations
 - D. Differences in policies and procedures across company branches
 - E.** Creating clear standards

Difficulty: Moderate

42. (p. 44) Service companies can close provider gap 4 by:
- A.** Improving communications between sales and operations departments
 - B. Using a systematic new-service development process
 - C. Eliminating employee role ambiguity and role conflict
 - D. Creating customer-defined standards
 - E. Making sure customers understand their roles and responsibilities

Difficulty: Moderate

43. (p. 44) In order to get an accurate cholesterol reading, an individual must fast for at least eight hours before the test. When you schedule a cholesterol test at your doctor's office, you will receive a brochure that will explain the fasting and why it is so very necessary. Providing this sort of educational literature to patients is one way doctors try to narrow provider _____ of the gaps model of service quality.
- A. Gap 1
 - B. Gap 2
 - C. Gap 3
 - D.** Gap 4

Difficulty: Moderate

44. (p. 44) Marriott had an advertising campaign with the following theme: "You can't be late for business appointments and neither can we. At Marriott, if your breakfast doesn't show up on time, it won't show up on your bill. That's because we take our business just as seriously as you take yours. And our business is service. The commitment is what makes Marriott the business traveler's first choice". If a business traveler, who saw this advertisement, stayed at a Marriott hotel and did not receive breakfast on time and was charged for that breakfast, Provider _____ of the gaps model of service quality would have occurred.

- A. Gap 1
- B. Gap 2
- C. Gap 3
- D.** Gap 4

Difficulty: Moderate

45. (p. 44) Service companies can close provider gap 4 by doing all of the following EXCEPT:

- A. Avoiding over-promising in advertising
- B.** Conducting market research
- C. Adequately educating customers to use service appropriately
- D. Viewing all of its external communications as interdependent
- E. Including interactive marketing in communications plans

Difficulty: Moderate

46. (p. 44) Extron Electronics sells coaxial cables for connecting computers to all types of peripheral devices like printers, modems and fax machines. For the benefit of its customers, Extron provides a laminated card with pictures of all the possible cable connections that a customer could need. With this card, a customer can order from one to any number of connectors with as many feet of cable as is needed. Orders can be placed by calling a toll-free, number, sending an email, or using the company's website. Company reps are also available 24-hours a day in case the customer is not sure which drawing on the card matches his or her needs. By integrating its services marketing communications, Extron is closing provider _____ of the gaps model of service quality.

- A. Gap 1
- B. Gap 2
- C. Gap 3
- D.** Gap 4

Difficulty: Moderate

47. (p. 44) American Airlines pilots and crews are trained to inform customers immediately when flight delays occur and to keep customers advised at regular intervals about the changes in a flight's schedule. By keeping customers informed during a flight, American Airlines is closing provider _____ of the gaps model of service quality.

- A. Gap 1
- B. Gap 2
- C. Gap 3
- D.** Gap 4

Difficulty: Moderate

48. (p. 42) The ads for a weight loss program that promised the program would change an individual's eating habits through hypnosis is probably overstating its usefulness because there are some people in the world that cannot be hypnotized. This sort of misleading advertising broadens provider _____ of the gaps model of service quality.

- A. Gap 1
- B. Gap 2
- C. Gap 3
- D.** Gap 4

Difficulty: Moderate

49. (p. 44) The marketing that goes on between an insurance agent and a current customer that is buying car insurance for a new teenage driver is an example of _____ marketing.

- A. Formal
- B. External
- C.** Interactive
- D. Controlled

Difficulty: Challenging

True / False Questions

50. (p. 35) The central focus of the gaps model of service quality is to close the gap between customer expectations and perceptions.

TRUE

Difficulty: Moderate

51. (p. 35) The sources of customer expectations are all controlled by the service provider.

FALSE

Difficulty: Moderate

52. (p. 35) Services marketing bridges the gap between what customers expect to get and what they perceive they actually got.

TRUE

Difficulty: Moderate

53. (p. 36) Provider gap 1 is widened when the service provider promises delivery on Monday when in fact there is no way the service provider can deliver until the following Thursday.

FALSE

Difficulty: Moderate

54. (p. 36) Improved upward communication can be used to narrow provider gap 1.

TRUE

Difficulty: Moderate

55. (p. 37) The use of transactional marketing will tend to narrow provider gap 1.

FALSE

Difficulty: Moderate

56. (p. 39) Provider gap 2 exists in service companies because of a failure of horizontal communication.

FALSE

Difficulty: Moderate

57. (p. 39) Inappropriate physical evidence can result in provider gap 2.

TRUE

Difficulty: Moderate

58. (p. 39) The absence of customer-defined standards will broaden provider gap 2.

TRUE

Difficulty: Moderate

59. (p. 39) Provider gap 2 is the difference between development of customer-driven service standards and actual service performance by company employees.

TRUE

Difficulty: Moderate

60. (p. 40-41) Deficiencies in human resources management policies will broaden provider gap 3.

TRUE

Difficulty: Moderate

61. (p. 44) The synchronizing of supply and demand will narrow provider gap 4.

FALSE

Difficulty: Moderate

62. (p. 44) One of the major difficulties associated with provider gap 4 is that communications to consumers typically involve issues that cross organizational boundaries.

TRUE

Difficulty: Moderate

63. (p. 44) Ad puffery such as "The Best Pizza in the State" could lead to provider gap 4.

TRUE

Difficulty: Moderate

64. (p. 44) Inadequate vertical communications will broaden provider gap 4.

FALSE

Difficulty: Moderate

Short Answer Questions

65. (p. 35) What is the central focus of the gaps model of service quality?

The customer gap.

Difficulty: Moderate

66. (p. 35) List three sources of customer expectations that are market-controlled factors.

Pricing, advertising, sales promises.

Difficulty: Easy

67. (p. 35) List two examples of sources of customer expectations over which the marketer has limited control.

Innate personal needs, word-of-mouth communication, competitive offerings.

Difficulty: Easy

68. (p. 35) Give a brief generalized definition of a customer's perception of service.

A subjective assessment of an actual service experience.

Difficulty: Moderate

69. (p. 35) Briefly define customer expectations for a service.

Standards or reference points against which service experiences are compared.

Difficulty: Easy

70. (p. 37) Which provider gap is a company trying to narrow when it concentrates on developing a service recovery strategy?

Provider gap 1.

Difficulty: Moderate

71. (p. 39) On which of the provider gaps does an inappropriate servicescape have the greatest impact?

Provider gap 2.

Difficulty: Moderate

72. (p. 40) What is provider gap 3 of the gaps model of service quality?

The difference between the development of customer-driven service standards and actual service performance by company employees.

Difficulty: Easy

73. (p. 41) On which of the provider gaps are deficiencies in human resources management policies most likely to have the greatest impact?

Provider gap 3.

Difficulty: Moderate

74. (p. 41) On which of the provider gaps do the actions of retailers, franchisees, agents and brokers have the greatest impact?

Provider gap 3.

Difficulty: Moderate

75. (p. 44) What is provider gap 4 of the gaps model of service quality?

The difference between service delivery and the service provider's external communications.

Difficulty: Easy

76. (p. 45) What is the key to closing the customer gap?

Close provider gaps 1 through 4 and keep them closed.

Difficulty: Moderate

77. (p. 37, 39, 41, 44) Briefly describe the four provider gaps that are the underlying causes behind the customer gap.

The central focus of the gaps model is the customer gap--the difference between customer expectations and perceptions. Firms need to close this gap in order to satisfy their customers and build long-term relationships with them. To close the customer gap, the model suggests the following provider gaps need to be closed. (1) Provider gap 1: Not knowing what customers expect. (2) Provider gap 2: Not selecting the right service designs and standards. (3) Provider gap 3: Not delivering to service standards. (4) Provider gap 4: Not matching performance to promises.

Difficulty: Moderate

78. (p. 36) Byron Wheatley recently began teaching his tenth 2-hour wine-tasting seminar in the banquet hall of a restaurant that has a large and varied wine cellar. His class participants are complaining the class he is teaching is not what they expected. Some are leaving after the first hour without a word to Wheatley. No participant has ever taken another one of Wheatley's classes even though each class studies a different variety of wine. Which provider gap is causing Wheatley the most difficulty? List some possible strategies Wheatley can use to close or possibly eliminate this provider gap.

The question describes provider gap 1--not knowing what customers expect. Student answers will vary, but the following are some suggested answers. Wheatley has an inadequate marketing research orientation. He needs to do some marketing research to match his offering to customer expectations. He could survey the patrons of the restaurant. Once the research is complete, he must use it even if it does not agree with his image of the class. There is a lack of upward communications. Wheatley must make it easier for his class participants to give him feedback early in the class, so that he can modify it as needed. There is no indication that Wheatley has targeted any particular market segment--this might make it easier for him to match expectations and perceptions. Also, he doesn't seem to do anything about lost customers. He should focus on creating a service that attracts repeat customers. Finally, he needs to do some sort of service recovery strategy. Bad word-of-mouth from customers can kill any possibility of success unless he starts trying to make right what customers found so wrong. Students should have several possible strategies for this, such as refunds, apologies or a coupon good at the restaurant.

Difficulty: Moderate

79. (p. 44) A national cleaning service sent several crews to Florida after the hurricanes of 2004. The crews were trained to deal with mud, mildew and all the problems of making a flooded home or building inhabitable again. The print and media ads that the cleaning service ran stated that the company had a patented system that would remove all unpleasant odors from flooded structures and leave a clean smell. Its sales reps who contacted owners of apartment complexes and shopping centers promised that the crews could come into an average size of apartment complex and have it looking and smelling like new in two weeks. Several people who rent apartments in the complexes that the service cleaned have commented unfavorably on the sweet smelling air freshener the company used to mask the smell and noted the moldy odor was still perceptible. Also, the time required to clean a complex was more like four weeks instead of the two as promised. Which provider gap does this example describe? List various strategies that can be used to narrow and possibly eliminate this provider gap.

This is an example of provider gap 4 - there is a discrepancy between what is promised and what is delivered. In this example, there seems to have been ineffective management of customer expectations--the company promised two weeks on average. The two-week time frame apparently is correct when there is only one complex to clean, not several structures. The cleaning service should have made it clear that two weeks was not enough time given the situation. Also, it should have had examples of what it defined as a "clean smell". Customers should have been adequately educated. Furthermore, the company over-promised, which widened this gap. From the ads and the personal selling, the tenants expected their apartments to smell like they did before the flood--that didn't happen. Students may note that the gap could have been the sole result of inadequate horizontal communications. The marketing and sales department believed they were communicating what would happen and received no communications from the cleaning crews telling them differently.

Difficulty: Moderate

80. (p. 42) Discuss the two major ways that technology has influenced the customer gap.

First, the nature of services themselves has changed. Many services are now delivered by technology rather than in person by employees. The proliferation of self-service technologies has changed customers' lives. An example of this is the digital revolution in the personal photography industry. Individuals can now use digital cameras to take as many photographs as they like and they can print, manage, and share their photos online. The whole process is much easier and much less time consuming than it used to be. Second, technology has changed the way customers learn about service. The ability to search the Web and view photos of service locations, compare prices, and even experience services virtually has changed the amount and type of information customers have prior to purchasing services. This availability of information has influenced customer expectations and improved customers' ability to compare and judge services.

Difficulty: Moderate