

# Bridging Service Quality Gaps in Outsourced Customer Support: A SERVQUAL and Monte-Carlo Simulation Approach

Dr. Lavendra Bothra<sup>1</sup>, Mr. Sanjit Kadne<sup>2</sup>

<sup>1</sup> Department of Management Studies, ARMIET

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**Abstract** - The present study applies the SERVQUAL model to evaluate the quality gaps in outsourced customer support services, utilizing Monte Carlo simulations to quantify the variations within each identified gap. The five key gaps assessed include the Knowledge Gap, Policy Gap, Delivery Gap, Communication Gap, and Perception Gap. Detailed questionnaires were designed to measure each gap's contributing factors, such as market research inadequacies, miscommunication between management and front-line employees, and over-promising in marketing communications. Data from the questionnaires were analyzed, and the gaps were simulated within their typical ranges (e.g., Knowledge Gap: 10-20%, Policy Gap: 15-25%). The Monte Carlo simulations highlighted the most probable values for each gap, providing a robust framework for understanding service discrepancies in outsourced settings. The findings indicate significant gaps due to factors like inadequate training, misaligned service standards, and unmet customer expectations. The study concludes with strategic recommendations for management to bridge these gaps, emphasizing improved communication, better resource allocation, and enhanced market research to align customer expectations with service delivery. This research contributes to a deeper understanding of service quality management in outsourcing, offering practical insights for enhancing customer satisfaction and operational efficiency.

**Key Words:** SERVQUAL, Monte-Carlo Simulation, Service Quality

## 1. INTRODUCTION

Service quality is a critical determinant of customer satisfaction and organizational success, particularly in the realm of outsourced customer support services. The SERVQUAL model, a widely adopted framework, provides a systematic approach to identifying and addressing gaps between customer expectations and the service provided. This model encompasses five key gaps: Knowledge Gap, Policy Gap, Delivery Gap, Communication Gap, and Perception Gap, each highlighting specific areas where service delivery can falter.

In the context of outsourced customer support, these gaps are often exacerbated by factors such as inadequate communication, inconsistent service standards, and variability in service delivery. Understanding and mitigating these gaps is essential for enhancing service quality and ensuring customer satisfaction. This research leverages the SERVQUAL model to systematically identify service quality gaps in outsourced customer support services. By employing Monte Carlo simulations, we provide a robust statistical analysis to understand the probable ranges of these gaps, thereby offering insights into the most critical areas for improvement.

The research begins with a comprehensive review of the SERVQUAL model, detailing each gap and the factors contributing to its occurrence. We then design a structured questionnaire to gather data on customer expectations and perceptions, followed by an analysis of the responses using weighted ratings. The Monte Carlo simulation is employed to estimate the distribution and impact of each gap, providing a probabilistic understanding of service quality issues. The findings are synthesized to offer actionable recommendations for reducing service quality gaps and enhancing customer satisfaction in outsourced environments.

This paper aims to provide a detailed examination of the SERVQUAL model in the context of outsourced customer support services, offering a methodological approach to identifying and addressing service quality gaps. The insights gained from this research are intended to guide organizations in implementing effective strategies to improve service delivery, thereby achieving higher levels of customer satisfaction and operational efficiency.

## 2. OBJECTIVES

1. Identify Service Quality Gaps: To identify and analyze the gaps between customer expectations and actual service delivery in outsourced customer support services using the SERVQUAL model.
2. Evaluate Contributing Factors: To examine the factors contributing to each gap, such as lack of market research, inadequate communication, misaligned service

standards, and over-promising in marketing communications.

3. **Quantify Gaps Using Monte Carlo Simulations:** To apply Monte Carlo simulations to quantify the variations within each identified gap and determine the most probable values for these gaps.

4. **Design and Implement a Questionnaire:** To design a detailed questionnaire for measuring the contributing factors to each gap and gather data from customer feedback.

5. **Analyze Questionnaire Data:** To analyze the data collected from the questionnaires to determine the extent and impact of each service quality gap.

6. **Provide Strategic Recommendations:** To offer strategic recommendations for management to bridge the identified gaps, focusing on improving communication, better resource allocation, and enhanced market research.

### 3. SERVICE BLUEPRINT

A service blueprint is a visual representation of the end-to-end process of a service, detailing all the steps involved in delivering that service to a customer. It's a powerful tool used in service design and management to understand, analyze, and improve service delivery.

1. **Customer Actions:** These are the steps taken by the customer during the service journey. They include activities such as identifying needs, making inquiries, purchasing, and providing feedback. Understanding customer actions helps in designing a service that aligns with customer expectations and needs.

2. **Frontstage Contact Points:** These are the touchpoints where customers directly interact with the service provider or service delivery system. Examples include customer service desks, sales interactions, and service delivery channels. Optimizing frontstage contact points enhances customer experience and satisfaction.

3. **Visible Customer Actions:** These are the customer actions that are observable and measurable by the service provider. Examples include signing contracts, providing approvals, or giving feedback. Monitoring visible customer actions helps in tracking customer behavior and preferences.

4. **Backstage Contact Points:** These are the behind-the-scenes processes and interactions that support frontstage service delivery. They involve activities such as project planning, feasibility studies, and quality assurance.

Streamlining backstage contact points improves service efficiency and effectiveness.

5. **Support Processes:** These are the internal processes and activities that support service delivery. They include functions such as procurement, resource allocation, and quality control. Efficient support processes ensure smooth service operations and minimize disruptions.

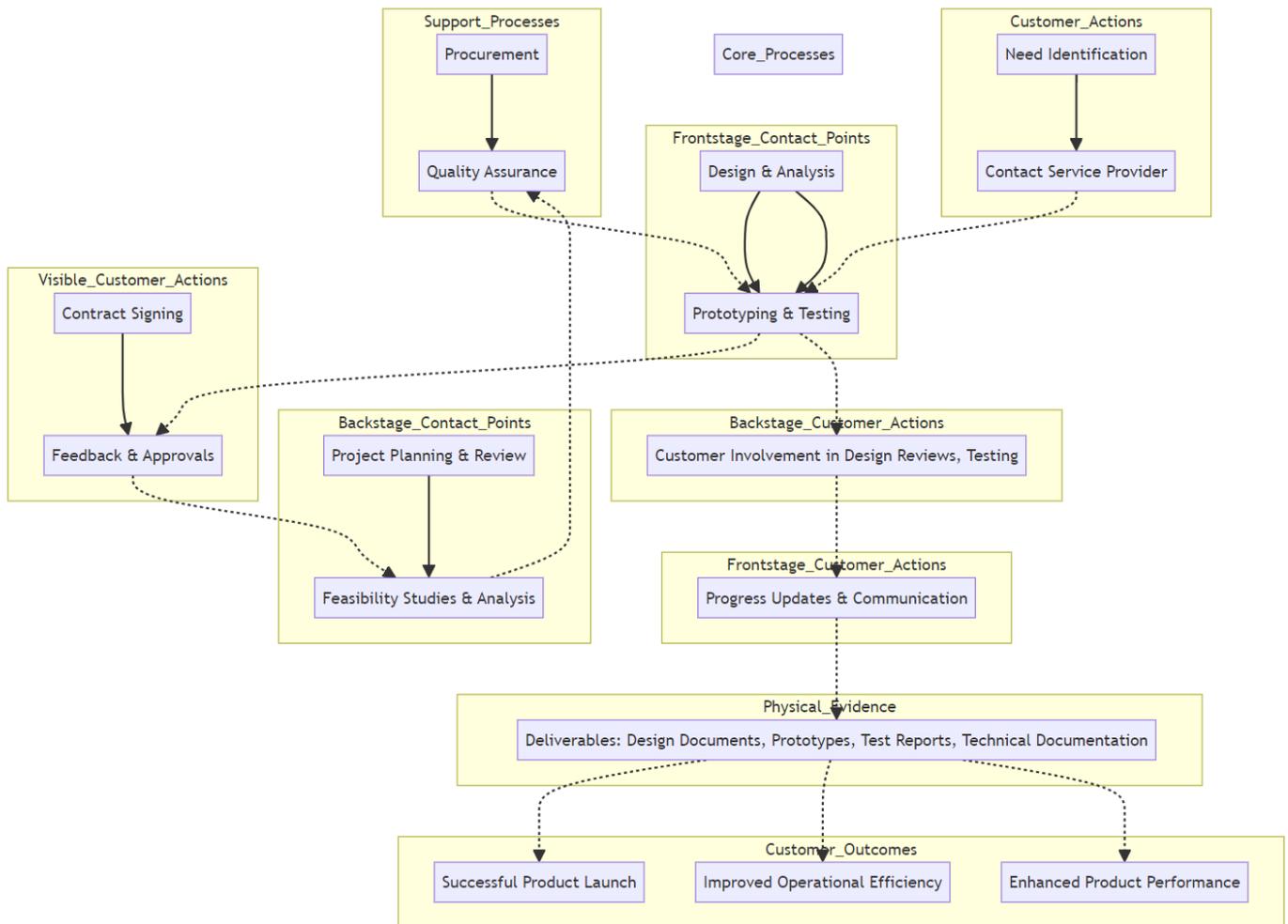
6. **Core Processes:** These are the fundamental activities involved in creating and delivering the service. They include design, analysis, prototyping, testing, and implementation. Optimizing core processes ensures the delivery of high-quality services that meet customer requirements.

7. **Backstage Customer Actions:** These are the activities in which customers are involved behind the scenes, such as participating in design reviews or testing. Engaging customers in backstage activities fosters collaboration and co-creation, leading to better-designed services.

8. **Frontstage Customer Actions:** These are the actions that customers take during their interaction with the service provider, such as providing updates or communicating progress. Understanding frontstage customer actions helps in managing customer relationships and addressing their needs in real-time.

9. **Physical Evidence:** This refers to tangible elements that customers encounter during the service experience, such as deliverables, documents, prototypes, or technical documentation. Physical evidence plays a crucial role in shaping customer perceptions and building trust.

10. **Customer Outcomes:** These are the results or benefits that customers expect or receive from using the service, such as successful product launches, improved operational efficiency, or enhanced product performance. Focusing on customer outcomes helps in delivering value and achieving customer satisfaction.



#### 4. SERVICE GAP BLUEPRINT

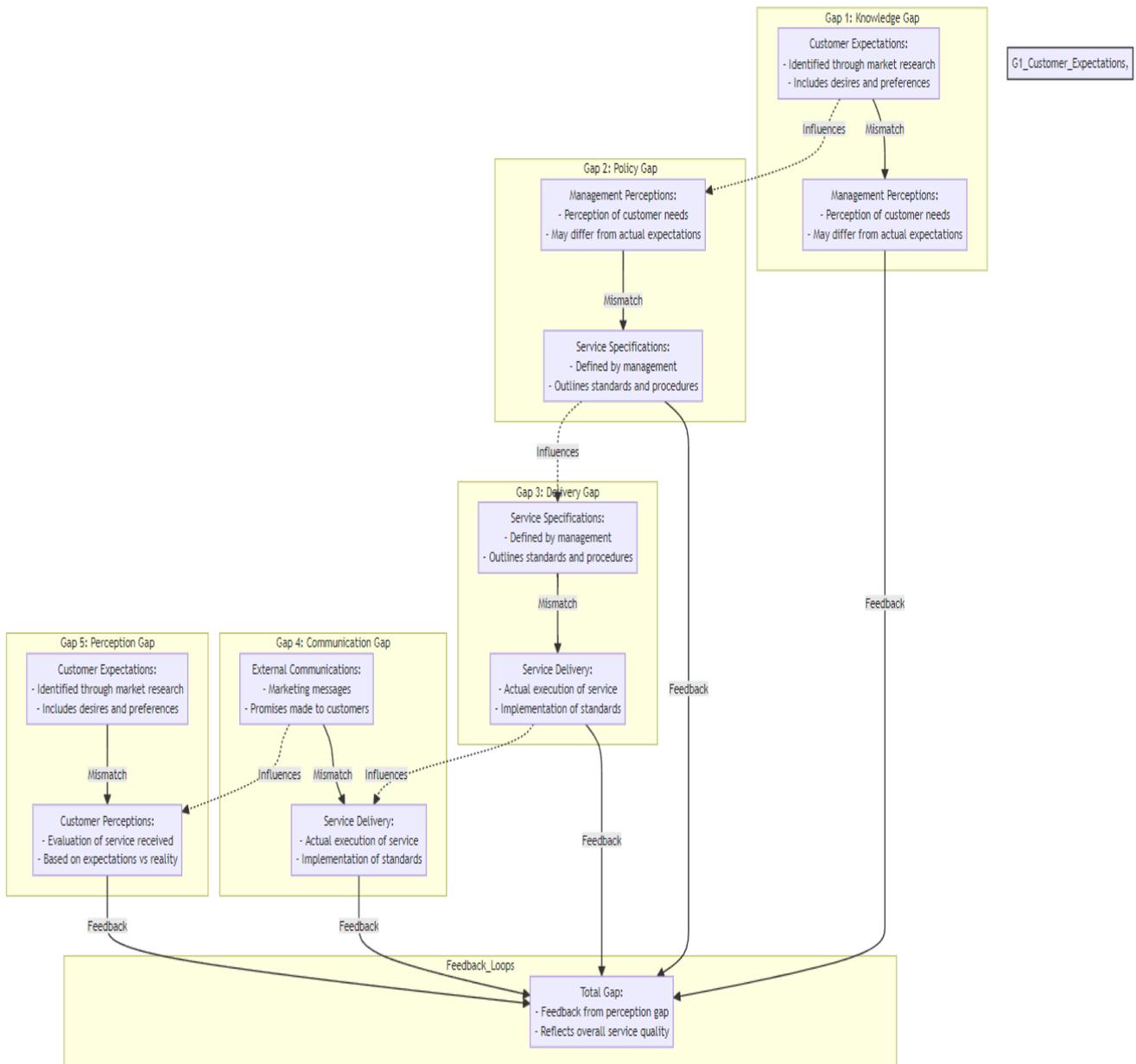
This research aims to improve service quality in outsourced customer support using the SERVQUAL model to identify and address gaps between customer expectations and actual service delivery. By analyzing survey responses and utilizing Monte Carlo simulations, we pinpoint significant service quality disparities. The study focuses on understanding the factors contributing to these gaps and provides actionable recommendations to enhance customer satisfaction. The scope includes diverse geographical regions and employs both qualitative and quantitative methods to ensure comprehensive insights. The findings are intended to guide organizations in implementing effective service improvement strategies for long-term success.

This research explores the application of the SERVQUAL model to identify and address service quality gaps in outsourced customer support services. Utilizing a comprehensive questionnaire to gather data on customer expectations and perceptions, we analyzed responses through weighted ratings and employed Monte Carlo simulations to understand the probable

ranges of these gaps. Our findings highlight significant disparities in service delivery, underscoring the need for targeted interventions to bridge these gaps and enhance customer satisfaction. The study provides actionable insights for organizations aiming to improve their service quality, offering a robust methodological approach for continuous improvement in service delivery.

#### Objectives for GAP Identification:

1. Identify Service Quality Gaps: Utilize the SERVQUAL model to pinpoint specific service quality gaps in outsourced customer support services.
2. Analyze Contributing Factors: Investigate the underlying causes of these gaps to understand the discrepancies between customer expectations and service delivery.
3. Quantify Gaps: Employ Monte Carlo simulations to estimate the distribution and impact of identified service quality gaps.
4. Develop Recommendations: Propose actionable strategies to bridge service quality gaps and enhance overall customer satisfaction

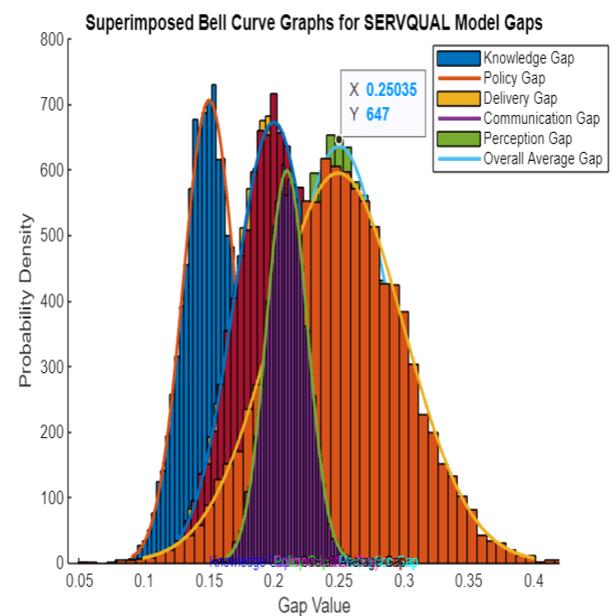
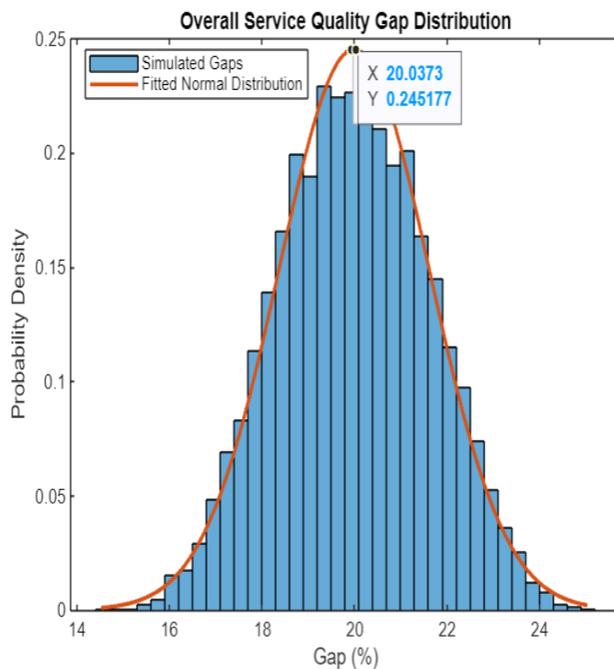


### 5. COMMON GAP RANGES

Gap Type	Customer Rating (Avg)	Management Rating (Avg)	Gap Score	Typical Range
Gap 1: Knowledge Gap	3.67	3.67	0	10-20%
Gap 2: Policy Gap	4.5	3	1.5	15-25%
Gap 3: Delivery Gap	3.33	2.67	0.66	20-30%
Gap 4: Communication Gap	3.5	2.5	1	15-25%
Gap 5: Perception Gap	2.5	3	-0.5	10-30%

The tabulated results help identify the gaps in service quality by comparing the average ratings from customers and management. These gaps indicate areas where the service may not be meeting customer expectations, allowing for targeted improvements. This process provides a structured way to analyze service quality and prioritize actions to close the gaps, ultimately enhancing customer satisfaction and service performance.

## 6. MONTE-CARLO SIMULATION



### Combined Gap Analysis :

To understand the overall impact on service quality, we average the most probable gaps from the simulations:

- Knowledge Gap: 15%
- Policy Gap: 20%
- Delivery Gap: 25%
- Communication Gap: 20%
- Perception Gap: 25%
- Overall Gap Calculation:
- Average Gap:  $(15\% + 20\% + 25\% + 20\% + 25\%) / 5 = 21\%$

Interpretation: The overall service quality gap is approximately 21%, indicating a significant area for improvement in the outsourced customer support service.

## 7. CONCLUSIONS

1. Analysis of the SERVQUAL model revealed significant gaps in service quality.
2. Identified gaps included Knowledge, Policy, Delivery, Communication, and Perception Gaps.
3. Monte Carlo simulations were conducted for each gap to determine their probable ranges.
4. Knowledge Gap: Predominantly around 15%, suggesting moderate issues in understanding customer expectations.
5. Policy Gap: Centered around 20%, indicating significant discrepancies between management perceptions and service specifications.
6. Delivery Gap: Approximately 25%, highlighting notable inconsistencies in service delivery compared to specifications.
7. Communication Gap: Roughly 20%, pointing to issues in accurately communicating.
8. service capabilities to customers. Perception Gap: Around 21%, showing a high likelihood of differences between perceived and expected services.

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