

GAP ANALYSIS AND SERVICES MARKETING: DOES UNDERSTANDING YOUR CUSTOMERS REALLY IMPROVE SALES?

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ABSTRACT

Most prior research in services marketing has been strongly influenced by the GAPs model of service quality, which emphasizes understanding customer expectations. While prior work in this area focused upon understanding customer expectations, few studies dealt with the linkage between service provider understanding of customer expectations and profitability. This study attempts to extend the previous research by examining the effects of understanding customer expectations on sales of dental service providers. It also investigates the demographic and marketing correlates of sales of dental services.

This study used gross revenue as the dependent variable. The independent variables included: 15 attributes of quality dental care, demographic variables (i.e., *gender, years in practice, type of offices, number of dentists at same facility, type of dentistry practiced*), marketing-related variables (i.e., *advertising expense, Yellow Page ad type, mailing-out newsletters, public presentation*), and financial variables (i.e., *credit card use, collection rates*).

The sample frame consisted of dentists in Jacksonville, Florida, (N=345). Of the 343 delivered questionnaires, fifty-six completed questionnaires were returned, giving a response rate of 16.3 percent.

Spearman's test showed that dentists rankings of importance about 15 attributes of quality for dental consumers agreed with patients rankings from prior research. The analysis of covariance (ANCOVA) indicated a significant difference in mean gross revenues between the two dentist groups separated by the sum of top five attribute rankings above and below the median, while *number of dentists at same facility* and *type of dentistry practiced* were used as covariates. The dentist group with the rankings of attributes more similar to patients' rankings from prior research had mean annual sales significantly higher than the other dentist group.

In examining the demographic correlates of revenues, it was found that *gender* had a significant effect on sales. Male dentists generated more sales than female dentists. Of the seven regression analyses performed to investigate correlates of marketing activities, it was found that *Yellow Page ad type* and *Advertising expense* were significantly associated with *gender*. Female dentists were more likely to use display ads and spend more on promotional advertising than male dentists. In answering a set of open-ended questions regarding their marketing emphases, most dentists reported that the largest proportion of patients were generated from word-of-mouth referrals of existing patients.

This study has provided evidence that a better understanding of patients' expectations has a positive effect on revenues of dental service providers. It also suggests the importance of influences that motivate consumers to recommend a service. Further research is needed to learn more about the relationship between the behavior of service providers, customers' evaluations of service providers, and personal referrals.