

SERVICE QUALITY GAP ANALYSIS & CUSTOMERS' PERCEPTION -AN INVESTIGATION

Prof S. Sudhakar,

Assistant Professor, VLB Janakiammal College of Engineering & Technology, Coimbatore-42,

Mrs. M.Padmavathi,

Lecturer, VLB Janakiammal College of Engineering & Technology, Coimbatore-42

Dr.D.Sudharani Ravindran.

Professor & Head Marketing Area, PSG Institute of Management, Coimbatore-4

ABSTRACT

Ever since the day of deregulation & opening up of markets has added to increase in competition. Service quality is a differentiating factor that provides a competitive edge. Hence service quality has become a critical issue marketing which is well recognized by the service sectors in particular healthcare, banking and finance and telecom services. In Indian context the telecommunications is a important revenue generating sector that has phenomenon growth. Much of success in this sector depends on the services offered by telecom service providers. Here the investigation of service quality based on servqual scale is carried out to identify the gap in the services offered & perceptions of the customers.

Key words: Service quality, Gap analysis, customer satisfaction, perception, expectation.

1. INTRODUCTION

In the present business scenario service quality has become a critical issue in marketing and has received much attention since the deregulation, and thus increased competition, within many service industries predominantly health care, banking and telecommunications. The service sector is expanding at an increasing rate and is becoming intensely competitive (Chen, Gupta and Rom, 1994; Johnson, Dotson and Dunlap, 1988).

Service quality is identified as a vital prerequisite and determinant of competitiveness for establishing and sustaining satisfying relationships with customers. Earlier studies suggest that service quality is an important indicator of customer satisfaction ((Spreng and Machoy, 1996). It is prudent to state that service quality has become so vital that in some businesses to succeed one needs high levels of service quality for success, but in some cases, need it for survival (Buzzel and Gale, 1987; Chen, Gupta and Rom, 1994; Germano, 1992;

Hauser and Clausing, 1988; Howcroft, 1993; Kearns and Nadler, 1992; Kettinger and Lee, 1995; Koska, 1990). As per the work of Brady and Robertson (2001), the service quality is a differentiating factor that provides competitive advantage.

The measurement and definition of service quality is difficult due to intangible nature of service offerings. Researches related to service quality are generally centered on the service quality model developed by Parasuraman et al (1985, 1988 and 1991). Parasuraman, Zeithaml, and Berry (1988, 1990) developed a service quality model that identified perceived service quality into five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. This instrument has been tested across different sectors of service industry and given fruitful insights (Gounaris *et. al.* 2003; Arasli *et. al.* 2005). They further postulated a GAP model and designed the servqual scale.

The five service gaps identified are understanding, service standard, service performance, communication and service quality and referred as Gap1, Gap2, Gap3, Gap4 and Gap5 respectively. The way the service is delivered is identified by Gap 1 to 4 and Gap 5 depends on size and direction of other four gaps. This GAP model and subsequent SERVQUAL model within GAPs framework were developed by Parasuraman et al (1985) and give definition of service quality as the degree and direction of discrepancy between customers' perceptions and expectations, and had "perceived service quality" as the gap between customers' perceptions and expectations, as a measurement of service quality. The meager the gap, the better the service quality provided, and the greater the customer satisfaction. Lewis & Booms (1983) have defined service quality within the scope of service industry as meeting customers' needs and wants and the extent the service meets the customers'

expectations.). Gronoos (1984) observed that the perceived quality of service was dependent on the comparison of expected service with perceived service, and it is the outcome of a comparative evaluation process.

Researchers have shown that customer satisfaction and service quality are different although many have found significant correlation between the two parameters (Oh and Park 1997). Further the researches have given interpretation that perceived service quality differs from satisfaction in that service quality is the customers' attitude or global judgment of service superiority over time, while satisfaction is connected with a specific transaction (Bitner, 1990; Bolton & Drew, 1991; Parasuraman et al., 1988). The identification of service attributes that bring about customer satisfaction were studied in hospitality sector of service industry which is treated as attributes that take care of consumers' needs and wants. However from the marketing literature studies the understanding of customer satisfaction is fulfillment of needs and wants of the customers. Moreover the literature survey point out the provision of service quality leads to customer satisfaction. The research work of Parasuraman et al, Gronoos and Johnson have defined service quality in terms of customer satisfaction that is degree of fit between customers' expectation and perception of service.

The early researches tended to focus on the operationalization of customer satisfaction and its antecedents. To name a few, the works by Oliver (1980), Churchill and Surprenant (1982), and Bearden and Teel (1983). In the mid 1980s the focus was more on development and refinement of construct and investigating the strategies followed to enhance customer satisfaction. In their attempt to probe into service quality Parasuraman, Zeithaml & Berry stated that their discussion of customer satisfaction, service quality, and customer expectations represents one of the first attempts to operationalize satisfaction in a theoretical context. Based on their research they postulated that the ratio of perceived performance to customer expectations was a key to maintaining satisfied customers. In later period the trio worked on the construct on service quality and designed the servqual instrument which has gained popularity in testing service quality of the services offered by firms. The Servqual scale is described as one of the pioneering attempt to operationalize the customer satisfaction. This scale focused on the performance component of the service quality model in which quality was defined as the

disparity between expectations and performance. The scale items used in the Servqual forms the premise is for instrument development today. The primary areas considered in the scale involved tangibles, reliability, responsiveness, assurance, and empathy. These dimensions are used to investigation service quality in general. This research tries to investigate the service quality provided by one of the leading service provider in Telecom sector namely BSNL & also looks into the Gaps by means of Service Gap analysis. So the objectives framed to investigate are:

- To analyze the quality of services provided by the service provider
- To identify the factors influencing the service quality in Telecom sector with specific reference to BSNL.
- To find out service expectations from the customers regarding the existing service provided by the service provider
- To analyze the quality of service provided by the service provider
- To conduct a gap analysis to investigate the service gaps

2. METHOD

The research deals with the description of the services experienced by the customers availing telecom services from the provider. The population consists of customers of Service Provider in the Coimbatore district which falls under Tamilnadu Circle. The sample consists of 150 subscribers of the service Provider drawn on convenient basis taking the study period of two months into consideration. The responses from the customers were collected by using a questionnaire.

The questionnaire adopted for the research is the survey instrument servqual developed by trio Parasuraman, Zeithaml, and Berry (1988, 1990).

3. RESULTS & DISCUSSIONS

3.1 Service Gap analysis

Gap mean differences between customers' expectations and perceptions of service quality in the Service Provider in Coimbatore (n = 150).

The mean score for the expectation and perception for the listed 30 factors. Gap 5 was measured as the difference between expectation and perception. Standard deviations are in parentheses. A negative gap indicates that customers perceived that service delivery did not meet their expectations. A positive gap indicates that customers perceived that service delivery exceeded their expectations. A negative gap with high difference was noted in Staff keeping promises (-2.98), followed by customers feel

about their safe transactions (-2.84). This indicates that Staff promises and does not meet the customers expectations. A least negative gap was found in the Caller Id facility (-2.10), which denotes among all the service quality factors, the customers feel that somewhat their expectations are met. (Table 1)

3.2 DEVELOPMENT & HYPOTHESIS TESTING OF CUSTOMERS' PERCEPTION

The research also formulated hypothesis which were tested for significance. The hypothesis were as follows

H1-There is significant relationship between perception of service and age of consumers'.

H2- There is significant difference between perception of the service and customers' income

H3-There is significant difference between expectation of the service and customers' age.

H4- There is significant difference between expectation of the service and customers' income.

3.3 HYPOTHESIS TESTING RESULTS

3.31 Hypothesis – H1

H₀: There is no significant relationship between perception and age

H_a: There is significant relationship between perception and age

It was found from the above table the p values calculated is greater than 0.05. It means that the H₀ is accepted, which denotes there is no significant relationship between the age and the perception. (Table 2)

3.32 Hypothesis H2

H₀: There is no statistical difference between income levels of customers

H_a: There is statistical difference between income levels of customers

Only mean value of materials associated with the service are visually appealing is below 0.5 so there is statistically difference between mean. The multiple comparison test was used to test where mean is located. The turkey post hoc test was conducted and it was found there was statistical difference between 3 & 5 income level of people. (Table 3)

3.33 Hypothesis H3

H₀: There is no significant relationship between expectation and age

H_a: There is significant relationship between expectation and age

Here the calculated p values found to be greater than 0.05, so H₀ is accepted and conclude there exists no significance difference between expectation and age of the customers. (Table 4)

3.34 Hypothesis H4

H₀: There is no statistical difference between income levels of customers

H_a: There is statistical difference between income levels of customers.

There is no significant relationship between expectation and income of the customers, because the p values are greater than 0.05 (Table 5)

4. CONCLUSION

The results of the research that customer's perception is considerably low and the organization has to give thought to improve its service & try to meet customers' expectation as negative scores were obtained. More over significant gaps in service needs to be addressed so that overall perception can be improved.

5. REFERENCE

- Anders Gustafsson, Inger Roos, Bo Edvardsson, (2004) *Customer clubs in a relationship perspective: a telecom case*, *Managing Service Quality*, Vol. 14 Issue: 2/3, pp.157 - 168
- Bahia K. and Nantel J (2000), "A Reliable and Valid Measurement Scale for the Perceived Service Quality of Banks", *International Journal of Bank Marketing*, pp. 84-91
- Bienstock, C. C. Mentzer J. T. and Bird M. M.(1997), "Measuring Physical Distribution Service Quality", *Journal of the Academy of Marketing Science*. 25(1), pp. 31-44
- Edvardsson B, *Quality in new service development: Key concepts and a frame of reference*, *International Journal of Production Economics* Vol 52 Issue 1-2 , October 1997 ,pp 31-46
- Gronroos.C (1988,) "The Six Criteria of Good Perceived SQ", *Review of Business*. 9(3), pp. 10-13.
- Jones, M. A., Mothersbaugh, D. L., & Betty, S. E. (2002). *Why customers stay: Measuring the underlying dimensions of services switching costs and managing their differential strategic outcomes*. *Journal of Business Research*, Vol 5 Issue 5, pp 441–450
- Lassar W. M., Manolis C., and Winsor R. D (2000), "Service Quality Perspectives and Satisfaction in Private Banking", *Journal of Services Marketing*, vol. 14. No. 3 pp. 244-271
- Lassar W. M., Manolis C., and Winsor R. D (2000) "Service Quality Perspectives and Satisfaction in Private Banking", *Journal of Services Marketing*, vol. 14. No. 3 pp. 244-271
- Leonard L. Berry, Valarie A. Zeithaml and A. Parasuraman (1990) *Five Imperatives for Improving Service Quality*, *Sloan Management Review* July issue, 1990
- Parasuraman, A., Zeithaml, V. A. And Berry, L. L.(1985) *A conceptual model of service quality and its implications for future research*. *Journal of Marketing* Vol 49, No 4, pp41-50.

Parasuraman. A., Berry L. and Zeithmal V (1990) *Five Imperatives for Improving SQ*. Sloan Management Review. 29(2). pp. 29-38

Parasuraman. A., Berry L. and Zeithmal V (1991) *Perceived Service Quality as a Customer-based Performance Measure: An Empirical Examination of Organizational Barriers Using an Extended Service Quality Model*. Human Resource Management. 30(3). pp. 335-364.

Pizam, A., And Milman, A. (1993) *Predicting satisfaction among first time visitors to a destination by using the expectancy disconfirmation theory*.

International Journal of Hospitality Management 12(2) p: 197-209.

Soderlund, M. (1998) *Customer satisfaction and its consequences on customer behavior revisited*. International Journal of Services Industries Management, Vol 9 Issue 2, 169–188.

Ying-Feng Kuo, Chi-Ming Wub and Wei-Jaw Deng, *The relationships among service quality, perceived value, customer satisfaction, and post-purchase intention in mobile value-added services*, Computers in Human Behaviour, Vol 25 Issue 4 July 2009 pp 887-896.

APPENDICES

Table 1 showing the Gap analysis

S.NO	STATEMENT	EXPECTATION	PERCEPTION	GAP MEANS
1	F1-Modern-looking equipments	4.54(0.58)	2.19(0.60)	<u>-2.35</u>
2	F2-Appealing physical activities	4.43(0.59)	1.80(0.62)	<u>-2.63</u>
3	F3-Neat appearance of staff	4.35(0.71)	1.96(0.63)	<u>-2.39</u>
4	F4 Materials associated with the service are visually appealing	4.50(0.53)	1.98(0.67)	<u>-2.52</u>
5	F5 Staff keeping promise	4.76(0.75)	1.79(0.54)	<u>-2.97</u>
6	F6 Quick in giving new phone connection	4.58(0.53)	1.81(0.60)	<u>-2.77</u>
7	F7 Call divert option	4.34(0.69)	1.71(0.51)	<u>-2.63</u>
8	F8 Caller ID facility	4.13(0.68)	2.03(0.65)	<u>-2.10</u>
9	F9 Call waiting facility	4.47(0.59)	1.87(0.58)	<u>-2.60</u>
10	F10 Call connectivity	4.58(0.53)	1.80(0.61)	<u>-2.78</u>
11	F11 Issue of duplicate bills	4.49(0.63)	1.81(0.47)	<u>-2.68</u>
12	F12 Tariff rates are proper	4.65(0.52)	2.23(0.66)	<u>-2.42</u>
13	F13 Proper voice clarity while communicating	4.61(0.53)	1.85(0.60)	<u>-2.76</u>
14	F14 Sincere interest in solving customers' problems	4.46(0.65)	1.74(0.56)	<u>-2.72</u>
15	F15 Staff performing services right the first time	4.69(0.52)	2.21(0.72)	<u>-2.48</u>
16	F16 Provide services at the time they promise to do so	4.65(0.50)	2.04(0.68)	<u>-2.61</u>
17	F17 Insist on error-free records	4.50(0.57)	2.04(0.68)	<u>-2.46</u>
18	F18 Staff telling customers exactly when services will be performed	4.63(0.53)	2.43(0.67)	<u>-2.20</u>
19	F 19 Prompt service	4.59(0.53)	2.13(0.71)	<u>-2.46</u>
20	F 20 Staff willingness to help	4.80(0.50)	2.13(0.70)	<u>-2.67</u>
21	F21 Prompt response from staff	4.53(0.57)	2.41(0.78)	<u>-2.12</u>

22	F22 Behaviors of staff instill confidence in customers	4.43(0.74)	2.12(0.63)	<u>-2.31</u>
23	F23 Customers feel safe in their transactions	4.72(0.50)	1.88(0.53)	<u>-2.84</u>
24	F24 Customers feel satisfactory in their transactions	4.47(0.52)	1.97(0.62)	<u>-2.50</u>
25	F25 Friendliness and courtesy of staff having knowledge to answer questions	4.59(0.66)	1.87(0.56)	<u>-2.72</u>
26	F26 Individual attention given by staff	4.53(0.68)	2.28(0.60)	<u>-2.25</u>
27	F27 Convenient operating hours	4.72(0.54)	2.03(0.57)	<u>-2.69</u>
28	F28 Staff giving customers best interest at heart	4.53(0.68)	1.92(0.60)	<u>-2.61</u>
29	F29 Personal attention given	4.64(0.53)	1.81(0.49)	<u>-2.83</u>
30	F30 Understanding the specific needs of customers	4.60(0.68)	2.00(0.52)	<u>-2.60</u>

Table 2 showing perception and age

STATEMENTS	F	SIG.	STATEMENTS	F	SIG.
F1	.295	.881	F16	.461	.764
F2	.480	.750	F17	1.155	.333
F3	.906	.462	F18	.254	.907
F4	1.103	.357	F19	.555	.695
F5	.576	.681	F20	1.267	.286
F6	1.388	.241	F21	.608	.657
F7	.870	.484	F22	1.032	.393
F8	.314	.868	F23	1.531	.196
F9	.817	.516	F24	.090	.985
F10	1.487	.209	F25	1.470	.214
F11	.772	.545	F26	.280	.891
F12	.619	.650	F27	.480	.750
F13	.616	.652	F28	1.494	.207
F14	.282	.889	F29	.842	.501
F15	1.462	.217	F30	1.696	.154

Table 3 showing perception and income level

STATEMENTS	F	SIG.	STATEMENTS	F	SIG.
F1	.406	.804	F16	1.957	.104
F2	.033	.998	F17	1.792	.134
F3	1.004	.408	F18	.277	.892
F4	3.041	.019	F19	1.287	.278
F5	.625	.645	F20	1.505	.204
F6	.503	.734	F21	1.002	.409
F7	.352	.843	F22	.734	.570
F8	.852	.495	F23	.781	.539
F9	.470	.758	F24	.530	.714
F10	.129	.971	F25	.614	.653
F11	.678	.609	F26	.745	.563
F12	1.068	.375	F27	.637	.637
F13	.519	.722	F28	.247	.911
F14	.245	.912	F29	.860	.490
F15	1.861	.120	F30	1.135	.342

Table 4 showing expectation of service and customers age

STATEMENTS	F	SIG.	STATEMENTS	F	SIG.
F1	1.984	.100	F16	.100	.982
F2	.413	.799	F17	.292	.882
F3	1.726	.147	F18	.624	.646
F4	1.101	.359	F19	.794	.531
F5	1.144	.338	F20	.797	.529
F6	1.375	.245	F21	1.286	.278
F7	1.610	.175	F22	.439	.780
F8	.310	.871	F23	1.929	.109

F9	.569	.686	F24	2.391	.053
F10	1.082	.368	F25	.564	.689
F11	.476	.753	F26	1.176	.324
F12	1.928	.109	F27	2.094	.085
F13	.094	.984	F28	.707	.589
F14	.995	.412	F29	1.089	.364
F15	.653	.626	F30	.221	.926

Table 5 showing expectation of customers & income of customers

STATEMENTS	F	SIG.	STATEMENTS	F	SIG.
F1	2.258	.066	F16	1.394	.239
F2	1.051	.383	F17	.835	.505
F3	.482	.749	F18	.971	.425
F4	.809	.521	F19	1.296	.274
F5	.672	.612	F20	1.881	.117
F6	.400	.809	F21	.269	.898
F7	.972	.425	F22	.282	.890
F8	.560	.692	F23	.987	.417
F9	.793	.532	F24	1.354	.253
F10	.587	.673	F25	.812	.520
F11	2.064	.088	F26	1.378	.244
F12	.267	.899	F27	.658	.622
F13	.142	.966	F28	.221	.926
F14	.581	.677	F29	.837	.504
F15	.607	.658	F30	1.173	.325