

Micro Analysis of Two-Wheeler Service in Terms of Service Quality in India With Reference to Dakshina Kannada District of Karnataka

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ABSTRACT

Keywords:
Service Quality,
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Perception

The aim of this study is to analyze service quality of two wheeler service centre for a small district with proportionate rural and urban population. In order to evaluate the service quality a servqual -based microanalysis was performed. This helps us understand the customer's perception regarding the service delivered, with regard to five dimension of service quality that is tangibility, reliability, assurance, empathy, and responsiveness. A firm with higher level of quality in service delivered will reap the benefits of efficiency in all the major functions. This will also help them create opinion leaders who through positive word of mouth will help firm perform better. For this, the data was collected using convenience sampling technique from 300 customers in the form of questionnaire. The hypothesis of the study is analysed using multiple regression. Results of the study show that overall perceived service quality in two wheeler industry is 3.56. It also found that there is significant gap between customer expectation and perception in two wheeler industry. This study provides service managers and administrators an opportunity to identify the dimensions in which larger gaps between customers' expectations and perceptions in a two wheeler industry is found.

1. INTRODUCTION

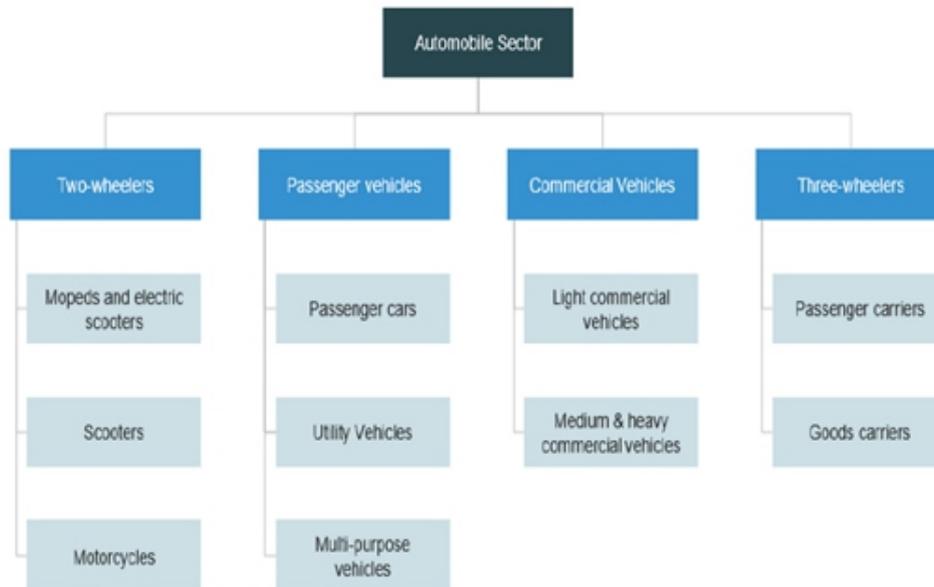
The two wheeler industry in India has shown rapid growth post 1993 after various policy changes and was able to achieve positive results but when we see the vehicle service the scenario changes and most of the customers do not like to visit the dealer after free service. For an vehicle dealers survival maximum revenue is earned by service. In this sector customer want prompt service along with proper problem detection. Most service centre ends up not concentrating much on service quality

because of this customer mindset and to achieve better growth this is mandatory.

India is the fourth largest automobile market. India is one of the largest original equipment producers in India and international level. Automobile sector has increased its sale 9.5 percent in 2017 excluding two wheeler industries. And, India is the seventh largest producers of commercial automobiles in 2017. And the country has a large market in both India and outside the country.

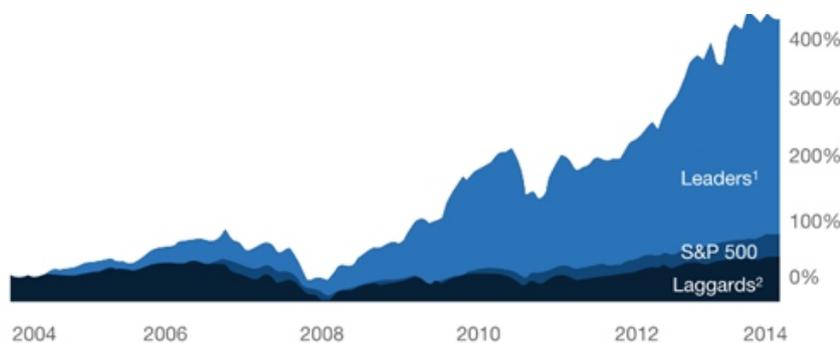
Automobile sector in India is divided in to four categories as shown in the figure below. During the period of 2018-19 the export of automobiles has grown at a rate of 15.5 percent. Automobile

industry of India is likely to reach Rs 16.16-18.18 trillion by 2026.the government of India is strongly supporting the automobile sector in India. It is an advantage for the sector to grow.



Improving customer experience can bring better rewards to the firms. Across the industries a happy client or customer is likely to spend more resources and be loyal with the firm. E.g. in two wheeler service industry the customers are more likely to service their vehicles in the company authorized centers even after the warranty and free service periods with a customer-satisfaction score of nine or ten out of ten rather than average six to eight out of ten.

The satisfaction also have a direct impact on the return to shareholders. When we compare the TRS of companies with above and below average customer satisfaction scores, the leaders achieve four times the growth in value of the laggards over a ten-year period, according to data from the American Customer Satisfaction Index and the Medallia Institute as given in the report published by Mc-Kinsey.



¹Companies with above-average American Customer Satisfaction Index scores within their industry
²Companies with below-average ACSI scores within their industry

Source: mckinsey report titled Putting customer experience at the heart of n ext-generation operating models

By this we can understand how much companies can achieve by redesigning customer journey. It not only helps achieving profit or increased revenue it will also help in achieving all diverse stakeholders' interests. In this study the researcher has tried to understand how quality of service delivered can be improved so that the customers revisit the outlets even for paid services. In Indian perspective customers revisiting for paid service is less in number.

2. REVIEW OF LITERATURE

Quality is defined as a measure of service delivered to the customers to meet their desire and expectation. Services are always very unique because of its features like heterogeneous, inseparable and intangible. In addition to that since our country is service based it becomes very important to measure the quality delivered. Various researches from past 30 years have been trying to find out models suited to measure quality of services delivered but still it is difficult to understand and quantify services.

In last couple of year various studies have tried to analyze service quality from different angles. Every organization always try to use service quality as tool to achieve competitive advantage which is important for the survival of the firm in the long run. Various studies have proved that by imparting service with good quality it becomes easier to attract and retain customers , reduce average cost per customer, increase positive word of mouth , better image which will lead to customer satisfaction, loyalty and finally better profit or performance.

Most of the studies also said that organizations always put a lot of effort in measuring service quality and finding out an apt model which can be replicated and used to measure service quality. Consequently the first model was used by Gronroos in 1984(1) to measure service quality , numerous other researched also hypnotized that service quality is always comparison of expectation with perception and we should strive to achieve minimum gap between the two.

Lewis and Booms (1983)(2) was of the opinion that service quality is a way to find out how good the service have been delivered and a good service always matches customer expectations. Gronroos in 1984(1) said that service quality has three variables that is technical quality, image quality and functional quality. Here technical quality is the outcome of the service delivered and functional quality is the process by which the outcome is delivered, lastly image quality is the brand image of the firm which is derived from the above two qualities over a period of time. Finally, Parasuraman et al., (1985, 1991) gave a model of service quality which was used in various sectors in different situations and gave stable results. The scale developed by him was refined subsequently and final set of servqual scale was developed.

Five gaps have been given by Parasuraman and other in 1985(3) which helped in understanding the service encounters in a better way. Gap 1 shows the difference between what customer expects from the firm and what management thinks customer expects from them Gap 2 analyses

the gap in management efforts to convert their understanding of customer expectation into specifications. Gap 3 deals with the specification set by the management and the specification delivered by the employees on a daily basis. Gap 4 depicts the difference between the actual service delivered to the customers and the external communication made to consumers. Last but not the least the gap no 5 which deals with expectation and perception of a service in the customers mind this is also known as consumer gap and other four are known as provider gaps.

The original scale consisted of 10 dimensions but later it was refined and reduced from ten to five

dimensions. This scale is one of the most used model in measuring service quality. It is also known as the RATER model. This gives a proper understanding of perception and expectation in different service environments. The various dimensions are as given below:

- Reliability (re)
- Tangibility (t)
- Assurance (a)
- Responsiveness(rs)
- Empathy(e)
-

Since then many other researchers have used the model in various organizations. The detail review of the literature is as given below in the table 1.

E, T, RE, A, RS

TABLE 1: Service quality scale in selected study

Year	Author	Variables	Questionnaire administration	Response scale	Original SERVQUAL retained	Sample size	Place of sample (s)	Sample method
2003	Lesley Douglas, Robert Connor -5	E, T, RE, A, RS	Offline	7	22 Items	206	Hospitality industry	convenience sampling
2005	Huseyin Arasli, -6	E, T, RE, , RS	Offline	7	22 Items	260	Bank	Convenience sampling
2006	Atila Akbaba 7	Tangibles(6) Assurance (4) Convenience(3) - Supply understanding and caring (5) Adequacy in Service (7)	Offline	5	29 Items	234	Hotel industry	Convenience Sampling
2007	Fatma Pakdil -8	E, T, RE, A, RS Flight patterns(3) Availability(3) Image(3)	Offline	5	34 Items	385	Airline	Random sampling
2008	Teamur Aghamolaei = (9)	E, T, RE, A, RS	Offline	5	27 Items	300	Higher education	Randomly
2009	Jelena Legčević, -10	Five dimensions Reliability(5) Assurance(4) Empathy and Responsiveness(8) Tangible(4)	Offline	5	22 Items	479	Higher education	Random sample

2009	Mukesh Kumar -11	Four dimension Tangibility(4) Reliability(5) Competence(14)and Convenience(3)	Online	7	26 Items	308	Banks	Convenience sampling
2009	Neg(8)i	Eight dimensions E, T, RE, A, RS Network aspect(3) Convenience (3)	Of?ine	7	27Items	198	Mobile communications	Random sampling
2009	Kee-Kuo Chen	E, T, RE, A, RS	Offline	7	22 Items	110	Shipping industry	Random sampling
2011	Sibel Dinç Aydemir -12	E, T, RE, A, RS	Online	5	22 Items	127	Export credit agencies	Random sampling
2011	Khodayar Abili -13	E, T, RE, A, RS	Offline	7	22 Items	300	Higher education	Random sampling
2011	Hussein M. Al-Borie -14	E, T, RE, RS Safety (4)	Offline administrative	5	27 Items	1000	Hospital	Random sampling
2012	Soudabe Saraei -11	Five dimensions Tangibility(5) Credibility (5) Assurance (6) Accountability(4) Empathy(6)	Offline	5	29 Items	238 staff of ICT	Rural telecommunication services	Random sampling
2012	Ali Dehghan 15	Eight dimension Assurance Responsiveness Reliability Empathy Tangibles support, Fulfillment Pricing and courtesy logistic/technical	Offline	-----	10 Items	9 experienced users	Customer Centric Group	Random sampling
2013	Khanchitpol Yousapronpaiboon -12	five dimensions E, T, RE, A, RS , E)	Offline	9	21 Items	350	Higher education	Convenience sampling
2013	Prodromos Chatzoglou -16	E, T, RE, A, RS Effectiveness(2) Access(3) Scope of services (2)	Online	7	31 Items	406 customers (citizens) and 86 managers	Hellenic Post	Random sampling
2013	Shih-Chang Tseng -17	Tangibles(4) Assurance(4) Reliability(3)	Online	5	11 Items	253	Green products	Convenience sampling
2013	Victor Lorin purcareea -18	E, T, RE, A, RS	Online	5	22 Items	183	Public health care	Convenience Sampling
2014	Ali Mohammad Mosadeghrad 19	Patient related factors Provider related factors Environmental factors	Recorded digitally	---	---	222	healthcare	Focus group

Cut throat competition and decreasing profit have compelled the dealers to give importance to improving the quality of service rendered to its customers. The customers are very specific about

their requirements and if not satisfied will look for other alternatives for better satisfaction. Even though Indian two wheeler industry is growing at a faster rate very less studies have done on them to

under quality of service delivered in their service section. So this paper has been done to cover that gap and finally to help dealers face competition much better.

3. OBJECTIVES OF STUDY

- To determine the level of service quality of two wheeler industry..
- To identify the area to be monitored so as to improve the quality of service.
- To analyze the relationship between various service quality factors.

4. METHODOLOGY

The research instrument

The instrument used for the survey is a structured questionnaire with 30 questions. The customers have rated the firms in a five point scale and the instrument covered a lot demographic factors related questions along with basic product usage details and the servqual scale.

Sampling size

The data was collected using convenience sampling technique from 300 customers in the

form of questionnaire. This was divided proportionally among the customers in the nine taluk's of Dakshina Kannada based on census data. Dakshina Kannada was selected because it has a got mix of urban and rural population. This will help us understand the problem in a proper way.

Sampling design

Convenience sampling was used to select the sample. Convenience sampling is a type of non-probability sampling that involves the sample being drawn from that part of the population that is close to hand.

5. ANALYSIS

In all about 580 questionnaires were distributed. The survey was spread over a period of 3 months and 300 filled up responses were obtained. These respondents hailed from different areas of Dakshina Kannada district and belonged to different age group, they had varied experience of owning the vehicle and pursued different professions. The respondents' profile is shown below in Table2

Table no 2: Profile of the respondents

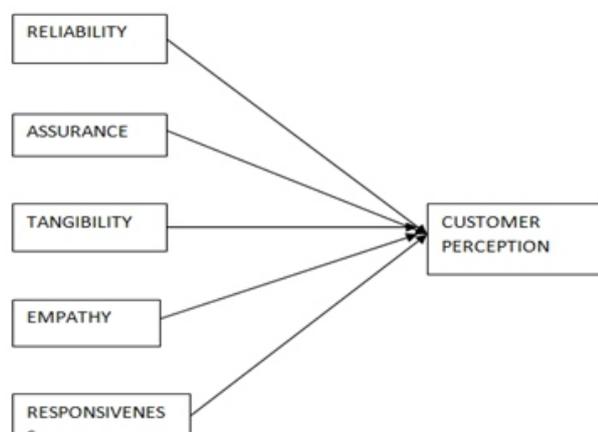
		Businessman	Students	Salaried	Others	Total
Age (years)	Average	34	20	38	40	
Usage (km per day)	Average	25	28	32	15	
Number Of respondent		63	129	84	24	300

Research Model

Service quality is denoted by various variables and finding out the impact of those individual variable on customer perception is very important. This will help the dealers in framing various strategies

to satisfy its customers. In the current competitive era knowing what to focus on will give the firms a great deal of advantage while framing their strategies. In this current paper we try to check the nature of impact of service quality variables on

perception. The following model has been prepared and tested in this paper; for testing the model various hypotheses has been framed the hypothesis and the model is as given below;



H01 tangibility doesn't have any impact on customer perception

H02 reliability doesn't have any impact on customer perception

H03 responsiveness doesn't have any impact on customer perception

H04 empathy doesn't have any impact on customer perception

H05 assurance doesn't have any impact on customer perception

Analysis of servqual variables

The responses obtained were analyzed to understand the importance of each attribute and the extent of the gap between the expectation and the perceived reality. The gap would be considered important if the value of the perception gaps were more than 1.30. The mean perceptions, percentage of respondents indicating a particular attribute to be highly essential in Table below. The inferences drawn from the attribute analysis are presented below.

Table no 3: Questionnaire response on the service quality attributes

No	Service quality attribute	Expect action	Perceive d Quality	Gap	Sd	% indicating the attribute to be highly satisfied
1.	Dealer has a modern looking equipment	5	3.12	1.88	0.83	6
2.	Dealer's employees appear neat.	5	3.97	1.03	0.87	8
3.	Dealer's physical facilities are visually appealing.	5	3.52	1.48	0.84	10
4.	When Dealer's promises to do something by a certain time.	5	3.38	1.62	1.06	6
5.	When you have a problem, Dealer's show sincere interest in solving it.	5	3.72	1.28	1	22
6.	Dealer's perform the services right the first time	5	3.48	1.52	0.88	14
7.	Dealers provide services at the time it promises to do so.	5	3.48	1.52	0.9	7
8.	Dealer's insists error free records.	5	3.6	1.4	0.81	9
9.	Dealer's keep customer informed about when services will be performed	5	3.64	1.36	1.04	18
10.	Dealer's employees give you prompt service.	5	3.42	1.58	1.27	24
11.	Employees in the Dealer are always willing to help you.	5	3.5	1.5	1.1	18
12.	Employees in the dealer are never too busy to respond to your request.	5	3.46	1.54	1	8
13.	Dealer's give you individual attention.	5	3.68	1.32	0.83	14
14.	Dealer's has your best interest at heart	5	3.56	1.44	1.08	18
15.	Employees in the Dealer understood your specific needs.	5	3.74	1.26	0.87	12
16.	Dealer's has operating hour that is convenient to its entire	5	3.56	1.44	0.78	11
17.	The behaviour of employees in the dealer instils confidence in you.	5	3.64	1.36	1.09	20
18.	You feel safe in your transaction with the dealer.	5	3.72	1.28	0.71	10
19.	Employees of the dealer have knowledge to answer your question.	5	3.54	1.46	0.75	4

According to Customers opinion the variables related to neatness of employees has the least gap of 1.03 followed by understanding specific needs with a gap of 1.26 and feeling of safety while transacting with the dealers with a gap of 1.28. These factors are very important because this will help in creating a good first impression in the mind of customers and the dealers in Dakshina Kannada have been able to satisfy the customers in his regard. It also has a strong bearing on the attractiveness of the services. To be a successful service organization, the services have to be rendered in an attractive way. .

A further look at the other variables, gives us a different picture altogether in many variables the gap is found to be very high which gives a picture that there is a lot of scope for improvements. Variable such as modern looking equipment's, delivery of service in the promised time, performing the services right the first time, providing services at the time it promises to do so , giving prompt service, employees willingness to help and responding to customers have an average gap in the range of 1.88 to 1.50. This clearly shows us that there is still a lot of scope for improvement and firms should employ various measures to overcome this, this also will help in achieving a

high degree of satisfaction among its customers. Better satisfaction always leads to loyalty among its customers. A company in the current era always strives to create a loyal set of customers this is the best advantage a firm can have while facing their competitors. The firms can concentrate on improving by focusing on these variables this will help the entire two wheeler industry in achieving a better growth.

Testing Of Hypothesis

Hypothesis was tested to determine the impact of service quality dimensions namely tangibility, reliability, responsiveness, empathy and assurance on customer perception. To do the same the following hypothesis was framed and the result of testing is as given below:

H01 tangibility doesn't have any impact on customer perception

H02 reliability doesn't have any impact on customer perception

H03 responsiveness doesn't have any impact on customer perception

H04 empathy doesn't have any impact on customer perception

H05 assurance doesn't have any impact on customer perception

Table no 4: Testing Of Hypothesis

Variable	Multiple R	R Square	P value	Result
Tangibility	0.78	0.61	0	null hypothesis is rejected
Reliability	0.89	0.8	0	null hypothesis is rejected
Responsiveness	0.82	0.68	0	null hypothesis is rejected
Empathy	0.78	0.63	0	null hypothesis is rejected
Assurance	0.82	0.67	0	null hypothesis is rejected

By analyzing the above table it shows that the value of p is equal to 0.00, so the null hypothesis is

rejected and alternative hypothesis is accepted.

This result clearly explains that there is an positive

impact of all service quality variables on customer perception. This shows that the organizations have to focus on all of these variables while formulating their strategy.

Overall satisfaction level

Table 5 showing overall satisfaction level of customers

SL,NO	Particulars	Percentage
1	Highly satisfied	24%
2	Satisfied	38%
3	Neutral	23%
4	Dissatisfied	8%
5	Highly dissatisfied	7%
	Total	100%

Table 6: table showing the correlation between variables.

	Tangibility	Reliability	Responsiveness	Empathy	Assurance
Tangibility	1				
Reliability	0.570915901	1			
Responsiveness	0.621830599	0.645253268	1		
Empathy	0.674215342	0.729805518	0.580216109	1	
Assurance	0.531611764	0.673131936	0.665795534	0.3974157	1

By analyzing the above table it clearly explain that the empathy and reliability (0.72), assurance and reliability (0.67), empathy and tangibility (0.67), and assurance and responsiveness (0.66) have a strong relationship on customer perception. And in the same time there is an average relationship between responsiveness and reliability (0.64), and responsiveness and tangibility (0.62). Remaining all other aspects has low relationship among them. So we can conclude that intangible things have more importance than tangible things in the showroom. But there is a good relationship between empathy and tangibility. It shows that it is good for the company to maintain both tangible and intangible things together in the showroom.

By analyzing the overall satisfaction level we can infer that majority of the customers are happy with the service provided in the service center but still there is a lot of room for improvement (38%). The service organizations have to understand the gap in their service delivery and concentrate on continuous improvement. This will help them achieve competitive advantage which will directly impact the future sales of the organization.

Correlation

6. SUGGESTION

- Service from the employees in the showroom should be improved. It can be through training and recruiting new experienced employees in the showroom.
- Customers are not getting individual attention from the showroom. So the company should try to give individual attention to the customers.
- Employees in the showroom fails to understand the specific needs of the customers. The employees in the showroom should try to understand the specific needs of the customers.
- The showroom should always try to gain five star from customers by providing best possible service and product.

- The dealers have to focus on improving the visual aesthetics of the service center and provide various amenities to the customers this will help in enhancing their satisfaction rate.
- Employees of the dealers should be well skilled to understand the needs of the customers, this will help in early closure of sales.
- The service organizations have to understand the gap in their service delivery and concentrate on continuous improvement. This will help them achieve competitive advantage which will directly impact the future sales of the organization.

7. CONCLUSION

Automobile industry is a growing industry in a country like India, which has large number of two wheeler users, the service providers have a lot of scope to do business. Theoretically it is proved that strong relationship exists between service quality, Loyalty and Customer Satisfaction. The company needs to bring out strategies to improve its customer retention and grievance handling method. Pricing too is a very important dimensions to be emphasized keeping cut-throat competition in mind.

The analysis of the survey, from customer's perspective, reveals that the primary objective of the customers is to get correct identification of the problem, proper repair of the vehicle and lastly being able to use the vehicle without any problems.. They view service quality based on the final result of the service. Studies on service quality indicates that reliability, assurance,

empathy, tangibles and responsiveness are different variables and the conclusion from the study also gives the same picture. Berry, Zeithaml and Parasuraman (1990) is of the opinion that variable level analysis is important in improving the service performance. To capture market, the industry has to work on all the variables. The industry should have a system to monitor the potential market and to measure the current performance so that they can continuously track the growth/downfall. The factors of importance differ from one segment of customers to the other. Thus, appropriate categorisation of the customers based on their usage level and price sensitiveness is a necessity. Then customising the services accordingly is an important aspect in attracting the customers.

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