# An Empirical study on Service Quality and Customer Satisfaction of Panthanivas in Bhubaneswar in relation to SERVQUAL Model

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*Abstract:* In this competitive era creating and sustaining the quality of service to meet the expectation of customers is of utmost importance. Understanding the zone of tolerance of consumers and taking innovative measures can certainly enhance the business opportunities and increase market share.

Service quality and customer satisfaction are the vital aspects which companies must understand in order to gain a competitive advantage. Therefore it is has become imperative for companies to know how to improve the moments of truth in a positive way in the mind of customers, measure and analyze the consumer trends and preferences. Service quality is of utmost importance as it leads to higher customer satisfaction, customer loyalty and retention. Further a it also helps to garner higher profit margins through cross selling and up selling.

The purpose of this paper is to study the customer expectations of the customers about the quality of service offerings by Panthanivas in Bhubaneswar and measure the customer satisfaction on various services offered using SERVEQUAL Model.

*Keywords:* zone of tolerance, moments of truth, Service quality, customer expectations, customer satisfaction, SERVEQUAL Model.

## 1. INTRODUCTION

SERVQUAL, the multi-item index developed by Parasuraman et al., as a result of their extensive research on service quality, has major significance in initiating research on the dimensions of the service quality construct. These dimensions, revealed by the factor analysis, were named as tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the customer, and access. Later, some of the original dimensions were combined, leading into a five-dimensional index: tangibles, reliability, responsiveness, assurance (credibility, security, competence, courtesy) and empathy (communication knowing/understanding the customer, and access).

Today, the hotels have become highly competitive. It is not only focusing on providing wide range of products to create competitive advantages; but also emphasises on the importance of services, particularly in maintaining service quality (Sousa 1999). Using the service quality model (SERVQUAL of Zeithaml et al, 1988), A study of customers of Bhubaneswar Panthanivas was undertaken to identify the differences between the respondent's expectation and perception toward the service quality. Further, the study also attempts to identify the customers' expectations of services and their respective performances.

In view of the above mentioned facts, an analysis of service quality perceptions from the customer's point of view may sound interesting at this juncture. Such an analysis will provide Panthanivas a quantitative estimate of their services being perceived with intricate details such as whether hotels are meeting, exceeding or are below the perceptions of their respective customers.

**Objectives of the study:**

- Measure the customer satisfaction on various services offered by Panthanivas in Bhubaneswar.

- Study the customer expectation about the service offering and service quality and find out the gap between customer perception and expectation by using SERVEQUAL Model.

**Importance of the study:**

- Each and every research work has its own significance and importance. In this present situation this study also under go through some constraints but at the same time it also carries its own significance and importance. The under lying points are the importance of this study.

- To identify the service gap and suggest a better solution to bridge the service gap.

- To suggest how to give more value to the customer, so that to retain them for a longer period of time.

- To assist for service recovery.

## 2. RESEARCH DESIGN

This piece of work is an effort through the under lying methods and measures considered at the time of collection of data and analyze the same.

**Sources of data:**

The data required for the present study are collected from both secondary and primary sources.

- The secondary Data was collected from Internet.

- The primary data are collected from customer's guests through structured questionnaires.

**Method of data collection:**

The researcher has collected relevant literature and other information related to the topic from the internet.

For primary data, structured Questionnaires were administered and Personal Interviews conducted wherever necessary to elicit relevant information and never the less observations drawn in Panthanivas to get the information.

**Data collection instruments:**

The research data was collected from the respondants by means of a structured questionnaire, which consists of some close ended questions, multiple-choice and rating scales.

## 3. QUESTIONNAIRE

Service Quality Audit

**Name (optional)**

| | |
|---|---|
| **Age** | [under 25 ] [ 25 to 34 ] [ 35 to 44 ] [ 45 and above ] |
| **Gender** | [Male ] [ Female] |
| **Profession** | [student] [house wife] [ self employed ] [ working executive  ] |
| **Income P. A in INR** | [ Less than 1,00,000] [ 1,00,000 – 2,00,000][2,00,000 – 3,00,000] [ 4,00,000  and above ] |

**Purpose of Visit**  [ Holiday] [Business] [ Others]

:-

**7 is Strongly Agree and 1 is Strongly Disagree.**

**Table: 1**

| Sl. No | Panthanivas Features to be evaluated by the customer | Expected Rating | Actual Rating |
|---|---|---|---|
| 01 | Panthanivas should have modern equipments. | | |
| 02 | The physical facilities at Panthanivas are attractive and appealing. | | |
| 03 | Persons working at Panthanivas are neat in appearance and well dressed. | | |
| 04 | Materials associated with the service (such as pamphlets or statements) are visually appealing. | | |
| 05 | When the Panthanivas promises to do something by a certain time they do so. | | |
| 06 | When a guest has a problem, the Panthanivas shows a sincere interest in solving it. | | |
| 07 | The Panthanivas does the right thing at right time. | | |
| 08 | The Panthanivas provides their services at the time they promise to do so.. | | |
| 09 | Panthanivas insists on error-free records. | | |
| 10 | Personnel in the Panthanivas tell you exactly when services will be performed.. | | |
| 11 | Personnel in the Panthanivas give you prompt service.. | | |
| 12 | Personnel in the Panthanivas always be willing to help you. | | |
| 13 | Personnel in Panthanivas immediately respond to your requests. | | |
| 14 | The behavior of personnel in the Panthanivas will instill confidence in you.. | | |
| 15 | You feel safe in your dealings with the Panthanivas. | | |
| 16 | Personnel in the Panthanivas are consistently courteous with you.. | | |
| 17 | Personnel in the Panthanivas have the knowledge to answer your questions.. | | |
| 18 | The Panthanivas gives you individual attention.. | | |
| 19 | The Panthanivas has operating hours convenient to you. | | |
| 20 | The Panthanivas has personnel who give you personal attention. | | |
| 21 | Excellent Panthanivas will have the guests' best interests at heart. | | |
| 22 | The personnel of the Panthanivas will understand your specific needs. | | |

## 4. DATA PROCESSING AND ANALYSIS

The primary data processed with the help of computer and the raw data is classified into different groups. The raw scores were tabulated and the mean scores, standard deviations computed. Statistical test like t- test and Chi square were implemented to study the significance of the mean scores. Complex statistical tools like factor analysis were also used to make the study more scientific and extract the factors of effectiveness.

**Analytical Tools:**

- Percentiles – Percentiles are the values which divide the series into 100 equal parts. This tool has been used to analyze the data.

- Factor analysis - The factor analysis is used to know the most important factor as per the respondent's preference and as per the Panthanivas executives.

- Standard deviation - Standard deviation is used both in expected and actual data.

- Mean, median, mode, and range of the frequencies are also calculated.

- T-test and Chi Square test were done for testing the significance of the mean scores..

**Data Analysis:**

**SAMPLE PROFILE:**

The demographic backgrounds of the sample respondents in five parameters are presented in Table -2 to understand the customer profiles i.e., age, gender, profession, income and purpose.

**Table - 2**

| Sample Profile | | F | % |
|---|---|---|---|
| Age | Below 18 years | 2 | 2.7 |
| | 19 - 30 years | 19 | 25.7 |
| | 31 - 50 years | 30 | 40.5 |
| | 50 years and above | 23 | 31.1 |
| Sex | Male | 67 | 90.5 |
| | Female | 7 | 9.5 |
| Profession | Student | 0 | 0.0 |
| | Professional | 0 | 0.0 |
| | Entrepreneurs | 27 | 36.5 |
| | Working Executive | 47 | 63.5 |
| Income | Less than Rs.1 lakh | 0 | 0.0 |
| | Rs.1 – 2 lakh | 0 | 0.0 |
| | Rs.2 –3 lakh | 41 | 55.4 |
| | Rs.4 lakh and above | 33 | 44.6 |
| Purpose | Holiday | 37 | 50.0 |
| | Business | 28 | 37.8 |
| | Others | 9 | 12.2 |
| **Total** | | 74 | 100 |

## 5. RESULTS AND DISCUSSION

In line with the objectives of the study, the main areas of questioning and analysis concerned expectations and perceptions of service quality and its dimensions: tangibility, reliability, responsiveness, assurance and empathy. As already stated, expectations and perceptions were measured on a seven point strongly disagree to strongly agree scale. Mean differences between expectations and perceptions of service quality of hotels and their respective customers' were calculated separately for the hotels, under study, followed by a t-test to determine the level of significant difference. The results obtained from this computation are presented in following Tables

**The Service Quality Dimensions:**

The model suggests five dimensions of service quality. They are tangibility, reliability, responsiveness, assurance and empathy. These dimensions pertaining to different initial variables are presented in Table 3.

**Table - 3 Variables of the SERVQUAL Model**

| Sl. No. | Initial Variables | Service quality dimensions |
|---|---|---|
| 1 | Modern Looking Equipment | Tangibility |
| 2 | Visually Appealing Physical Facilities | |
| 3 | Neat Appearance of Employees | |
| 4 | Visually Appealing Materials | |
| 5 | Keeping Promises | Reliability |
| 6 | Sincere in  Solving Customer Problems | |
| 7 | Dependable in Transactions | |
| 8 | Provide Services as Promised | |
| 9 | Keeping Accurate Records | |
| 10 | Inform When Service will be Performed | Responsiveness |
| 11 | Prompt Service from Employees | |
| 12 | Employees' Willingness to Help | |
| 13 | Employees' Response to Requests | |
| 14 | Customers' Confidence on Employees | Assurance |
| 15 | Safe Feeling of Customers in Transaction | |
| 16 | Courteous Employees | |
| 17 | Adequate Support to Employees | |
| 18 | Individual Attention by Hotel | Empathy |
| 19 | Personal Attention by Employees | |
| 20 | Understanding Specific Needs of the Customers | |
| 21 | Customers' Best Interests at Heart | |
| 22 | Convenient Operating Hours | |

**Cronbach Alpha Reliability Test Results:**

Cronbach alpha reliability test was ran on the data collected to determine the reliability of data collected. Results in table-4 shows that all the values were above 0.73. Nunnally (1978) suggested that the minimum of 0.70 would be an acceptable level.

**Table –4 Reliability test of five service quality dimensions**

| Factor | Panthanivas customer's | |
|---|---|---|
| | Expectation | Performance |
| Tangibility | 0.977 | 0.926 |
| Reliability | 0.843 | 0.949 |
| Responsiveness | 0.734 | 0.975 |
| Assurance | 0.973 | 0.917 |
| Empathy | 0.968 | 0.943 |

## 6.   COMPARISON OF EXPECTATION AND PERFORMANCE

A comparison between opinion of respondents for perceptions and expectations exhibits that out of the five dimensions of service quality gaps all are negative indicating customer dissatisfaction.  The views of the sample respondents regarding the services offered by the Panthanivas under study are presented in Table - 5

**Table- 5 Comparison of Expectation and Performance**

| Service Dimensions | Expectation Mean | Expectation SD | Performance Mean | Performance SD | Service gap | t value |
|---|---|---|---|---|---|---|
| Tangibility | 6.50 | 0.75 | 5.84 | 0.61 | -0.66 | 10.91 |
| Reliability | 6.56 | 0.53 | 5.87 | 0.63 | -0.69 | 14.11 |
| Responsiveness | 6.58 | 0.47 | 6.03 | 0.76 | -0.54 | 8.82 |
| Assurance | 6.54 | 0.73 | 5.68 | 0.58 | -0.85 | 12.96 |
| Empathy | 6.54 | 0.67 | 5.71 | 0.65 | -0.82 | 13.94 |

(All the T values are significant at 1% level )

After an overall view of the respondents as a whole, the comparison of service quality dimensions among the (n = 74 is discussed in this section, which partially fulfill the objectives of this study. Table -7 shows the descriptive statistics on the dimension of quality of the hotel. It was observed that all dimensions of service quality ware showing negative gap.

# 7.  LIMITATIONS OF STUDY

- Financial constraint is also a great factor of limitation.

- Customers were not interested to give personal opinion.

- The study was restricted to only Bhubaneswar.

# 8.  CONCLUSION

Hence, an understanding of the consumers perceived service quality and measuring service quality can immensely help the organisations. Using the SERVQUAL model to assess service quality enables the organizations to understand the various dimensions and how they affect service quality and customer satisfaction.

Analysing, monitoring and improving service quality based on the changing taste and preferences of customers can certainly give a boost to the brand equity of the company and help it to establish itself as an iconic brand.

# REFERENCES

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