Tangibility a Driving Force to Shape Indian Consumer Perception

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Abstract:- One of the major differentiator in business today is service quality. Given to cut throat competition, the only way for business to develop sustainability is to provide quality to the customer. Automobile industry is also in the pangs of competition, survival just by virtue of product innovations is getting more and more difficult. The only way to keep customer intact is to provide them with premium service quality. This paradigm shift in business has aligned researchers to explore different facets of service quality and develop useful insights for business. This paper measures and compares the service quality of service centres of Global and National brands of automobile manufacturers using Parsumraman's Servqual scale. The responses are sought on 22 item construct on a five point Likert scale.. Various factors of service quality of the service centres have been measured and compared. Finally the implications have been discussed. The service quality of National brand is found superior on all the factors. Tangibiltiy seems to be the biggest diffrentiator.

Keywords:- *Servqual, Factors, Reliability, Tangibility, Assurance, Responsiveness, Empathy, Automobile.*

I. INTRODUCTION

With the rising levels of competition, the challenge to sustain in business is also increasing. While innovations in product, process or practices marginally contributes in developing sustainable business, it is the service quality alone that emerges as an uncontestable leader, on which thrives sustainability. Globalisation and IT have changed the façade of business, core competency, product differentiation, market focus strategies are not sufficient to create differential in business. In such a scenario service quality is a potential means to create differential and develop sustainability in the market.

Owing to this paradigm shift in business, researchers have aligned their research in the direction of service quality. They have been interested in defining, modeling, measuring and analyzing service quality so as to contribute important insights to business. Seth et al. (2005) delineates 18 models that measure service quality. The most popular being Servqual gap model given by Parsuraman et al.(1985, 1988). This model is used by researchers to measure service quality across various industry segments. Automobile industy is a massive sector of Indian economy, like other sectors, service quality is a potent

source of differentiation in this sector . Major players in automobile industry are interested in reinforcing their service quality to get competitive edge. They are interested in assessing their service quality as well as their competitors so that they may bench mark their service quality.

Service quality of automobile centres is the services offered by the involved value chain partners once the sales of automobile has taken place. It is also termed as people support, technical support, service support in the local vernaculars. . Incase of automobile industry, the service support may take the form of vehicle delivery, vehicle maintenance , repair & overhauling, installation of peripherals, insurance , financing etc . In the Indian value driven market , the service support provided is a great differentiator, specially in high end products. The Indian consumer has limited perspicacity to differentiate the product on the basis of design and technicalities. The common Indian layman decision to choose a particular brand is driven by the service back up offered by the dealers. The question of interest here is what are the specific aspects of service quality provided by these dealers that can be driving force for consumer to buy.

This paper measures the service quality of authorized service centres of two major 4 wheeler manufacturers. For feasibility reasons the study is conducted in one of the major commercial cities of Madhya Pradesh.

II. LITERATURE REVIEW

Quality in services provides a competitive edge ensuring continued consumption, particularly under conditions when intangibility relations between quality and services are tightened. It has been aptly argued that SERVQUAL plays a key role in ensuring sustainable competitive advantage for the companies.

Service quality has been differently classified in literature, although there is no unanimity among the academicians, all agree that the service quality is a multi-dimensional construct. Gronroos (1978, 1982) who pioneered studies on SERVQUAL recognizes the need and usefulness of developing valid and distinct measures of service quality. Groonroos (1984) categorises service quality as "technical" and "functional" . Former refers to what service the customers are actually

receiving and later meaning the process of the delivery of the service.

Parasuraman et al. (1988) was the first to be credited with the development of service quality measurement model by the name of service quality (SERVQUAL). For him quality was the construct constituted by different encounter characteristics. Service quality is constituted by three broad sub-dimensions; the personnel-related, the tangible offering related and the service-scape-related.

Literature has been repelete with several models and metrics to measure service quality. Seth et al. (2005) in his publication, reviews nineteen models that measure service quality. The most popular model is the gap based model that measure service quality using the tool SERVQUAL (Parsuraman, 1985, 1988). The other frequently used instruments to measure service quality are SERVPERF (Cronin and Taylor, 1992) , Groonos model (Groonos,1984) and Evaluated Performance model (EP) (Teas 1993). SERVQUAL measure service quality as the difference between perception of service received and the expectation of service. SERVPERF measures service quality as perception of service received by the consumer.

The parsimonious SERVQUAL / SERVPERF scales have been used by researchers across a wide array of services like banking, restaurant, hospital, quality consultants, public services etc. (Khare, 2011; Rahman, 2005; Seth et al., 2006, Mashhadiabdo et al., 2014; Choudhary & Prakash, 2007). The use of these scales across a wide spectrum of services reveals that the scales have to be modified for each service setting and in some situations the scales do not cover all the aspects of services contingent to that setup. This has motivated researchers to develop scales specific to the type of service, service scape and service partners Literature is thus fraught with service quality measuring inventories, each unique in its own way.

Parasuraman et al. (1988) developed a 22-item measurement instrument called SERVQUAL for assessing customers'expectation – perceptions gap of service quality. Respondents are first asked to provide the level of service expected from a service firm on the 22-item expectations scale and then they are asked to rate their perception on the service quality dimension of the 22 item perception scale. Perceived service quality is obtained by subtracting the expectation rating from the perception rating for each of the items.The 22 items of the Servqual scale measure service quality on five dimensions-

(a) Reliability
It is the ability to perform the promised service dependably and accurately. The reliability dimension, which ensures timely delivery time after time, helps the service provider to meet the customer expectations fully.

(b) Responsiveness
It is the willingness and promptness of the service firm's staff to help customers and to provide them with service. The customers may have queries, special requests, complaints, etc. It is the willingness to help the customer or willingness to go that extra distance.

(c) Assurance
It defined as the ability of the company to inspire trust and confidence in the service delivery. Ability to assure the customer depends upon the knowledge and skill of service staff. This dimension is considered vital for high risk where customers may not be able to evaluate all the uncertainties involved.

(d) Empathy
It refers to the caring, individualized attention the service firm provides each customer. When customers feel that the provider is involved and understand's their point of viewt.

(e) Tangibles
It refers to physical facilities, equipment, and infrastructure of service provider . The job of the tangible and physical evidence of a service is multifunctional. Tangibles speak about the quality of service to the customers.

In this paper the service quality of authorized service centre of two major automobile manufactures is measured using Sevqual. National brand and Global brand are the two auto industries that are selected for this study. The companies are business contemporaries and offer comparative products in the market.

III. METHODOLOGY

The research design was descriptive in nature as it involved studying the perceptions of customers towards the service quality provided by the authorized service centres of National brand and Hundai. The study is confined to the city of Indore for feasibility reasons.The data was collected with the help of a structured, non disguised questionnaire consisting of 22 items on liker scale. The 22 items were taken from the Servqual scale of Parsumaraman (Parsuraman, 1985). There were semantic modifications made in the scale to customize it to the automobile service centre setup. The 22 items were clubbed under 5 factors of service quality – Reliability, Assurance, Tangibility, Empathy, Responsivenes (RATER).

The data was collected personally by debriefing the responders on the purpose of study and to rule out any possibility of ambiguity. The people who were availing automobile services from authorized National brand Suzuki and Global brand service stations in Indore formed the universe. The list of users of the service was provided by the

service centres which was used as sampling frame to draw the samples. Convenience and judgemental sampling was used to pick up the responder for filling up the questionnaire.

A sample size of 100 was taken up for the study. As per Hair et al.(1995) a sample size of 10 times the factors may be taken . Since there were 5 factors (RATER) in the questionnaire , a sample size of 100 was found suitable in terms of feasibility, practicality and accuracy of results.

The data was then analyses on SPSS software. The reliability of the five service quality dimenasions was checked. To service quality of the two service centers was computed by averaging out the item score and the factor scores. To compare the service quality dimensions between National brand and Global brand service centers , t-Test was applied.

IV. DATA ANALYSIS

Reliability Test
According to Parasuraman (1985,1988), the 22 items of SERVQUAL in both the expectation and perception scores have been grouped according to the five basic dimensions.

On first priority we have to check whether questionnaire is consistent in respect of the tangibility, reliability, responsiveness, Assurance and Empathy. Cronbach Alpha reliability of all the five factors is checked and then independent sample t-Test is applied across the five factor to see if any difference in service quality exists across the hundai

and National brand authorized service centres. The reliability score of all the factors is given in table 1. All the factors are showing reliability score above .8 which is a considered a good score (Nunnally, 1978)

Table 1:Reliability Statistics

Factor	Cronbach's Alpha	No. of Items
Reliability	.931	5
Assurance	.901	4
Tangibility	.928	4
Empathy	.866	5
Responsiveness	.844	4

t-Test
To compare service quality of Global brand and National brand service centre Independent sample t-test was applied . The null alternative hypotheis for t-test are as follows-

Null Hypothesis:
H0= Service Quality of two top automobile companies i.e. Global brand and National brand Suzuki are not significantly different.

Alternate hypothesis:
Ha = There is significant difference in Service Quality of both the company Global brand and National brand Suzuki.

Table 2: **Independent samples T test result**

Factors	t	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Tangibility	4.97	0	1.1916	0.23976	0.711744	1.6715
Reliability	4.809	0	0.8866	0.18437	0.5176	1.2557
Responsiveness	3.658	0.001	0.7416	0.20274	0.335844	1.1475
Assurance	3.087	0.003	0.6583	0.21324	0.231499	1.0851
Empathy	3.636	0.001	0.7866	0.21637	0.353555	1.2197

Interpretation of above results (Table 2)

Comparison of service quality for tangibility
One of the most important assumption of independent sample t test is equality of variance to test this assumption Levene's test applied and value of f statistic is 0.165 with p value 0.686 therefore it can said that variance are equal therefore t test result mention in first row is selected and interpretated/

H0; - There is no significant difference in service quality with respect to tangibility of Global brand and National brand

The value t-statistics is 4.97with p value 0.000 therefore at 5% level of significance the null hypothesis can be rejected hence we can say there is significant difference in service quality with respect to tangibility of Global brand and National brand.

Comparison of service quality for Reliability
One of the most important assumption of independent sample t test is equality of variance to test this assumption Levene's test applied and value of f statistic is 0.4 with p value 0.53 therefore it can said that variance are equal

therefore t test result mention in first row is selected and interpretated

H0; - There is no significant difference in service quality with respect to tangibility of Global brand and National brand

The value t-statistics is 4.809with p value 0.000 therefore at 5% level of significance the null hypothesis can be rejected hence we can say there is significant difference in service quality with respect to Reliability of Global brand and National brand.

Comparison of service quality for Responsiveness
One of the most important assumption of independent sample t test is equality of variance to test this assumption Levene's test applied and value of f statistic is 0.023 with p value 0.88 therefore it can said that variance are equal therefore t test result mention in first row is selected and interpretated

H0; - There is no significant difference in service quality with respect to tangibility of Global brand and National brand

The value t-statistics is 3.658with p value 0.001 therefore at 5% level of significance the null hypothesis can be rejected hence we can say there is significant difference in service quality with respect to Responsiveness of Global brand and National brand.

Comparison of service quality for Assurance
One of the most important assumption of independent sample t test is equality of variance to test this assumption

Levene's test applied and value of f statistic is 0.114 with p value 0.736 therefore it can said that variance are equal therefore t test result mention in first row is selected and interrelated

H0; - There is no significant difference in service quality with respect to tangibility of Global brand and National brand

The value t-statistics is 3.087 with p value 0.003 therefore at 5% level of significance the null hypothesis can be rejected hence we can say there is significant difference in service quality with respect to Assurance of Global brand and National brand.

Comparison of service quality for Empathy
One of the most important assumption of independent sample t test is equality of variance to test this assumption Levene's test applied and value of f statistic is 0.105 with p value 0.747 therefore it can said that variance are equal therefore t test result mention in first row is selected and interpretated

H0; - There is no significant difference in service quality with respect to tangibility of Global brand and National brand

The value t-statistics is 3.636 with p value 0.001 therefore at 5% level of significance the null hypothesis can be rejected hence we can say there is significant difference in service quality with respect to Empathy of Global brand and National brand

Managerial Implications

Table 3: Descriptive Statistics

Factors		Mean	Std. Deviation	Std. Error Mean
Tangibility	National brand	3.3417	.87218	.15924
	Global brand	2.1500	.98173	.17924
Reliability	National brand	2.9000	.77682	.14183
	Global brand	2.0133	.64527	.11781
Responsiveness	National brand	3.1917	.82703	.15099
	Global brand	2.4500	.74104	.13529
Assurance	National brand	3.2500	.84588	.15444
	Global brand	2.5917	.80538	.14704
Empathy	National brand	3.2267	.86421	.15778
	Global brand	**2.4400**	**.81096**	**.14806**

From table 3, it may be inferred that the service quality delivered by National brand service centers are perceived as better than that of Global brand service centers on all the five dimensions. Though individually, the National brand or Hytundai scores are moderate, implying that both the service centre needs to enhance their service

quality. The scores of service quality on all five dimension are pegging around 2 and 3 for both the companies. The managerial implications for the companies are as follows-

The service centre should enhance their infrastructure. There should be sufficient waiting space, comfortable

seating, AC and basic amenities for the customer. They may focus on pick and drop facility so that customer is saved the commutation time and effort. The drivers and staff that interact with the customer may be well dressed and trainied so that they provide nice experience to the customer.

The service centres should keep up their commitments, at times of peal load as well as other days. This might call for flexible capacity management. It may even result in underutilization of capacities at times but all this is worth an invest to make the customer happy.

The staff should be responsive. Due care should be taken at the time of recruitment and selection of the staff/ managers/ technical personnel etc. The front end employees should be eager and prompt in attending the customer. The back end employees should also work promply so as to enhance the customer service and timely delivery. Recruiters should provide good salary and wages to keep the commitment levels of employees high. In order to keep the external customers happy, one needs to keep the internal customers happy.

The staff employed by the company should have adequate knowledge and skill to carry out their task. In a service centre, good, proficient mechanics with experience at work are required. The front desk and complained desk or customer service desk requires people with good HR skills. Refresher courses and training programs should be organized by the recruiters to maintain and upgrade the competency levels.

The staff should be polite and empathetic to the customer. Specially the front desk executives should have this competency. The service centers should recruit candidates with good HR skills and periodically organize training programs for them. Feedback form the customers, peers, subordinate should be taken to keep a check on the employees behavior and identify training gaps.
It can be seen from the analysis that tangibility seems to be the most perceived differentiator between the local and global brands which can be used by Indian manufacturers to peg there marketing strategy around it.

V.   CONCLUSION

The service quality of National brand and Global brand authorized service centres have been measured using Servqual scale. The Service quality of both the service centres is found to be marginally good. However the scores for National brand service centre are higher than that of Global brand service centre. Managerial implications to improve service quality on all the five dimensions has been discussed. However it seems that Indian masses are driven by the tangibility aspect in choosing the brand.

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