Service Quality Gap Analysis of Automobile Service Centers

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***Abstract* - The Indian automotive customer today is well tuned to global markets and products, and expects the same levels of quality in products and services. The wide range of models and variants on offer, with little differentiation among products within the same price band, also encourages customers to switch from one brand to another easily. As a result, retaining customer loyalty is a key concern for manufacturers in India. In this scenario, providing effective after sales service for vehicles has assumed increased importance for service centre. This research intends to study the gap between expected and perceived quality measured through SERVQUAL method to know the current situation of automobile service centre. Two independent samples of personal vehicle users and commercial vehicle users are selected for comparative analysis.**

***Keywords* – Expected service quality, perceived service quality, SERVQUAL, gap analysis.**

I. INTRODUCTION

The global auto industry has been the subject of much analysis in recent years. While global capacity creation proceeds at a good clip on one hand, continued capacity creation in the face of sluggish sales have led to depressed levels of capacity utilization. However, in this picture of gloom, there is broad agreement that the bright spots for the industry globally remain the new markets of China, South East Asia and India. The last decade has seen the Indian industry gain in maturity and confidence. This industry is counted amongst the larger contributors to India's economic development, witnessed over the last decade. Today, the Indian auto industry is one of the largest industrial sectors with a turnover that contributes to roughly 5 per cent of India's GDP [1]. More importantly, it contributes to employment of over 2 million people directly and indirectly to another 10 million. The industry is important for national policy in that it contributes 19 per cent of indirect taxes. The Indian automotive customer today is well tuned to global markets and products, and expects the same levels of quality in products and services. The wide range of models and variants on offer, with little differentiation among products within the same price band, also encourages customers to switch from one brand to another easily. As a result, retaining customer loyalty is a key concern for manufacturers in India. In this scenario, providing effective after sales service for vehicles has assumed increased importance for service centre in India. Not only do manufacturers need to provide a range of services and have a widespread service network to cater to the ever increasing number of vehicles on the road, but also ensure high levels of service quality and delivery, to retain customers.

The size of service sector is increasing in almost all economies around the world. New services are continually being launched to satisfy our existing & potential needs. In services, it is the consumer who defines the quality. Service quality affects relationships and relationship marketing, as customers are willing to build relationships with organizations that provide service quality. The SERVQUAL model developed by Parasuraman et.al.,[2] has been used by many researchers for the measurement of service quality in different fields.

II. LITERATURE REVIEW

Service quality is defined by various researchers in various ways. The technical quality, functional quality and reputational quality are the components of service quality identified by Gronroos and used SERVQUAL as the most often approach for measuring service quality to compare customers' expectations before a service encounter and their perceptions of the actual service delivered.[3] The SERVQUAL model has been the predominant method used to measure consumers' perceptions of service quality. It has five dimensions or factors. Adele Berndt explains these five dimensions with respect to automobile service centre as follows:

1. Reliability (Promised delivery): Dealerships are known to contact the customer promising that the vehicle will be ready for delivery at a specific time. It is the most important dimension of service quality.
2. Assurance (Confidence and trust): At dealership, the main source of assurance is with the service adviser, their knowledge and manner of interaction with the customer inspires trust in the organization.
3. Tangibles (Physical cues): Tangible cues that form part of this dimension include the signage, parking and layout of the dealership itself.
4. Empathy (Importance): In the case of dealership, this can be seen in the interactions between the organization and the customer, and the nature of this interaction.

5. Responsiveness (Willingness to serve): This refers to the changes that have been observed in service hours from just being weekdays to include weekend and night services, due to the changes in the needs of customers.[4]

   Study on satisfaction with hospital services included communication with patients, competence of staff, staff demeanor, quality of the facilities, and perceived costs.[5] In case of automobile service centers, delay in delivery is an important factor in dissatisfaction of customers.[6] Service quality can be measured in terms of customer perception, customer expectation, customer satisfaction, and customer attitude. Service quality may be defined as customer perception of how well a service meets or exceeds their expectations. [7] Factors that determine user satisfaction with the quality of services provided on railway platforms are availability and quality of refreshments, effectiveness of information systems, behavior of railway staff, basic amenities provided on platforms, and safety and security.[8]

III. OBJECTIVES

The study aims to find the gap between expected and perceived service quality factors in automobile service centers. This major objective is supported by the analysis of service quality factors for personal and commercial vehicle users. The comparison of service quality among personal and commercial vehicle users can provide interesting results.

IV. RESEARCH METHODOLOGY

In this research questionnaire is used as the most common instrument to collect primary data. Thus, the data is collected by commercial and personal vehicle owners through questionnaire. In the questionnaire Likert 7 point scale is used for collecting opinion of respondents for the factors of service quality. 17 factors were identified by initial survey and then were divided into traditional five factors given as SERVQUAL model.

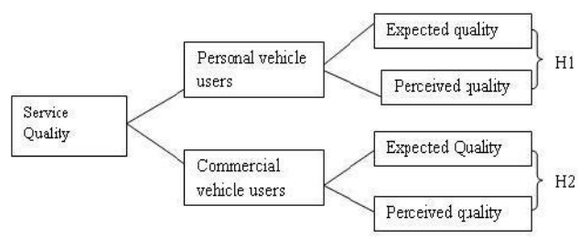
Sampling plan:

1. Population: Users of commercial and personal vehicle (Four wheeler) in Pune city.
2. Sampling segment: Pune city only.
3. Sampling unit: Respondents who are the owners of commercial and personal vehicle.
4. Sampling size: 25 Respondents from owners of the commercial vehicles and 25 from owners of personal vehicle in Pune city.
5. Sampling method: Convenience sampling method

V. RESEARCH CONCEPTUAL MODEL AND HYPOTHESES

Customers hold different types of expectations about service. The level of expectation can vary widely depending on the reference point the customer holds. Service marketers need thorough and clear definition of expectations in order to comprehend, measure and manage them.[9] So the study measures the expected service quality factors separately for both type of samples. The service quality gap (i.e. gap between what customers expect to receive and their perceptions of the service that actually is delivered) is the most critical gap. Hence the ultimate goal in improving service quality is to close or narrow this gap. [10] The objective is to compare expected and perceived service quality factors among personal and commercial vehicle users about their experience with the service centers. This is expressed in the form of a conceptual research model as in fig.1.

Fig. 1. Research model for service quality gap



Hence, the hypotheses of the study are framed for personal vehicle users and commercial vehicle users separately and stated as:

H1: There is significant difference of mean ratings between *expected* (μ_e) and *perceived* (μ_p) service quality parameters for **personal** vehicle users.

H2: There is significant difference of mean ratings between *expected* (μ_e) and *perceived* (μ_p) service quality parameters for **commercial** vehicle users.

VI. ANALYSIS AND FINDINGS

To know expectation and perception about automobile service centre's service quality from vehicle owners in Pune city, respondents had given their views regarding how ideal showroom would be and how actually it is. The respondents rated 17 factors of service quality which are as follows:

1. Tangibility: Modern Equipment, Physical Facility, Neat Dress Code of Employee, Attractive Material.
2. Reliability: Timely Delivery of vehicle, Interest in solving customers' problem, Provide Promised Services, Produce Error-free record.
3. Responsiveness: Well informed about services, Prompt service to customer, Willingness to help, Never too busy to respond.

TABLE NO.1
CONSOLIDATED TABLE OF MEAN RATINGS FOR DIFFERENT SERVICE QUALITY FACTORS.

Factors	Expected			Perceived		
	Commercial vehicles	**Personal vehicle**	**Combined Mean**	**Commercial vehicles**	**Personal vehicles**	**Combined Mean**
Tangibility	5.7	6.38	6.035	5.69	6.14	5.91
Reliability	6.96	6.9	6.9	5.49	5.71	5.63
Responsiveness	6.87	6.72	6.80	5.39	5.84	5.61
Assurance	6.78	6.64	6.72	5.97	6.2	6.09
Empathy	6.80	6.66	6.74	5.36	5.78	5.59

4. Assurance: Feel safe while dealings, Courteous personnel, Knowledge of personnel.
5. Empathy: Individual attention, Convenient operating hours.

The mean of the ratings given to these factors is calculated and then a combined mean for each factor. Similar process is done for combined standard deviation in ratings given.

Table no. 1 depicts that the expectation for reliability factor are high i.e.(6.9) whereas tangibility factor has got lowest combined mean that is (6.03). The perceived combined mean represents current condition of an service centers, the attributes such as Assurance has got highest combined mean i.e.(6.09) where as empathy has got lowest rating that is (5.59).

Testing of Hypothesis 1: The difference of mean rating for **expected** (μ_e) and **perceived** (μ_p) values of service quality in **personal vehicle** users is significant.

In the above test, samples used are *dependent* and the effect of actual working conditions (perceived quality) on service quality is tested. So the above hypothesis is tested by using **paired t-test.** The mean ratings for five service quality dimensions and tabulated t value are shown in table no.2.

Table no.2 gives a clear indication that the gap between expected and perceived service quality is considerable in case of automobile service centers for personal vehicles. The users of personal vehicles hold higher expectations from service centers as the product is put to their personal use. Though service centers are equipped with modern technology, the factors like reliability, responsiveness and empathy are lacking. Amongst which reliability of services are highly expected near to ideal (mean rating = 6.90).

TABLE NO. 2
RESULT OF PAIRED T TEST VALUES FOR H1.

Factor	Mean rating		Calculated t value	Tabulated t value (24 d.f., α = 0.05)	Result
	Expected	Perceived			
Tangibility	6.38	6.14	2.2527	2.064	Significant
Reliability	6.90	5.71	6.9038		Significant
Responsiveness	6.72	5.84	6.6082		Significant
Assurance	6.64	6.20	2.3247		Significant
Empathy	6.66	5.78	5.4505		Significant

Testing of Hypothesis 2: The difference of mean rating for **expected** (μ_e) and **perceived** (μ_p) values of service quality in **commercial vehicle** users is significant.

In the above test also, samples used are *dependent* and the effect of actual working conditions (perceived quality) on service quality is tested. So the above hypothesis is also tested by using **paired t-test.** The mean ratings for five service quality dimensions given by commercial vehicle users and tabulated t value are shown in table no.3.

The commercial vehicle users also show similar response about service centers like the other sample. The difference between mean ratings of expected and perceived tangibility factors is statistically not significant. The observed reason is that customers have lower expectations about tangibility factors. The dissatisfaction about services of automobile service centers lies with the factors like on time delivery and services as promised, as delay in delivering vehicles affects the business of customers.

TABLE NO. 3
RESULT OF PAIRED T TEST VALUES FOR H2

Factor	Mean rating		Calculated t value	Tabulated t value (24 d.f., α = 0.05)	Result
	Expected	Perceived			
Tangibility	5.70	5.69	0.5049	2.064	Not Significant
Reliability	6.96	5.49	8.7952		Significant
Responsiveness	6.87	5.39	7.7881		Significant
Assurance	6.78	5.97	4.9383		Significant
Empathy	6.80	5.36	5.8657		Significant

VII. CONCLUSION

Automobile industry is one of growing and competitive industry of any economy. The technological advancement of this are have improved product performance but the customer satisfaction is also result of after sales service provided by the automobile service centre ,customer satisfaction at service centre is results of quality of service. Among various model of service quality SERVQUAL model and QUALITY GAP model still hold relevance in today's market. The study was attempted to analyse gap between expected service quality parameters and their actual performance at service centers that is perceived service quality.

There is considerable gap found in Expected and Perceived quality for the factors like Reliability, Responsiveness and Empathy. Improvements are expected in meeting delivery target as per promise time by improving the technology used to provide services. Convenience of commercial vehicle users need a consideration and efforts should be made to make service available at convenient time. In case of personal vehicle users the gap between expected and perceived service quality is reducing as the service centers are getting more customer centric but the improvement in responsiveness have still much scope for change. The study can be further extended by taking some other service sectors for comparison of service quality to generalize findings.

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