

Effectual Analysis on SERVQUAL Model For Customer Satisfaction And Contentment

Sanjiv Kumar Sharma

Research Scholar

Department of Management

Calorx University, Gujrat, India

ABSTRACT

Customer satisfaction is a marketing term that measures how products or services supplied by a company meet or surpass a customer's expectation. Customer satisfaction is important because it provides marketers and business owners with a metric that they can use to manage and improve their businesses. Customer satisfaction provides a leading indicator of consumer purchase intentions and loyalty. Customer satisfaction data are among the most frequently collected indicators of market perceptions. Their principal use is twofold: Within organizations, the collection, analysis and dissemination of these data send a message about the importance of tending to customers and ensuring that they have a positive experience with the company's goods

and services. Although sales or market share can indicate how well a firm is performing currently, satisfaction is perhaps the best indicator of how likely it is that the firm's customers will make further purchases in the future. Much research has focused on the relationship between customer satisfaction and retention. Studies indicate that the ramifications of satisfaction are most strongly realized at the extremes. Assorted models and paradigms exist for customer satisfaction, and out of these SERVQUAL is one of the prominent which is the key aspect in this research work.

Keywords: Customer Satisfaction, Customer Retention, CRM, SERVQUAL Model

INTRODUCTION

Customer Relationship Management refers to an approach or set of approaches by which the current as well as the potential customers of the company can be intensified to have a competitive advantage in the market. Assorted techniques and communication media are used by different companies to integrate the CRM with their business model to have the escalated values in the customers' base.



Figure 1: Key Elements of CRM

The key communication channels and media to incorporate CRM includes telephonic feedbacks and reviews, marketing contents, social media, live chats, mail communications, website based interaction and many others.

All these techniques are used to gain the higher degree of confidence in the customers with the faith to deliver the effectual services.

Types of CRM

CRM can be broadly classified in three categories

- Operational
- Collaborative
- Analytical

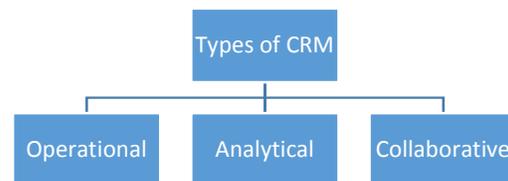


Figure 2: Taxonomy associated with CRM

Operational

The prime goal of CRM is to integrate the Sales, Promotions, Marketing, Services and the Customer Support at a common platform to deliver the high end and swift services to the customers without any downtime or delay. The CRM approaches keep track and follow up with the customers and troubleshoot the issues to gain the confidence in the services of the company.

Analytical

In this segment and key implementation of CRM, the analytics, deep learning and predictions are done on the customer data collected from assorted primary as well as secondary sources. The high performance statistical analysis approaches and predictive algorithms are implemented on the customer data so that the market as well as customer trends can be evaluated in prior. Assorted data mining, machine learning and advance statistical methods are prevalent to investigate the datasets for better predictions.

Collaborative

Another key goal of CRM is to integrate and associate the stakeholders including vendors, suppliers, distributors and related entities so that the customer feedback and expectations can be evaluated at different layers of management in the company to have the competitive gain in the market.

Key Benefits of CRM Approaches

- Improvements in the Efficiency, Performance and Integrity of the Management with the use of customer experiences and feedback

- Delivery of the appropriate solution to the customers with higher degree of consistency and performance
- Evaluation of the customer expectations with multidimensional review
- Automation of the prominent modules of company including sales, feedback, reviews, marketing, promotions and assessment.

Relevance of Customer Satisfaction

Customer satisfaction is the most important parameter in the service sector in which the key attributes of customer behavior as well as the feedback perspectives. It is paramount in the interest of organization as well as social cause to fulfil the needs as well as the expectations of the customers so that multi referral business can be executed. In traditional aspects, customer satisfaction is known as CSAT which is having assorted parameters on which the customer service performance is evaluated.



Figure 3: Customer Satisfaction

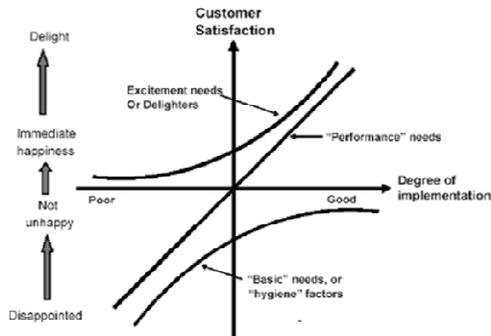


Figure 4: Customer Satisfaction Graph

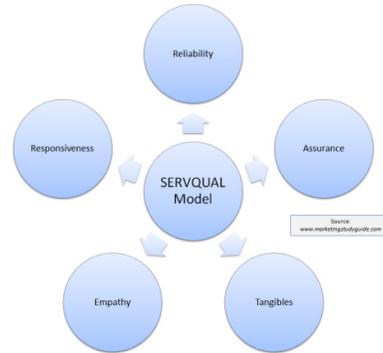


Figure 6: SERVQUAL Model

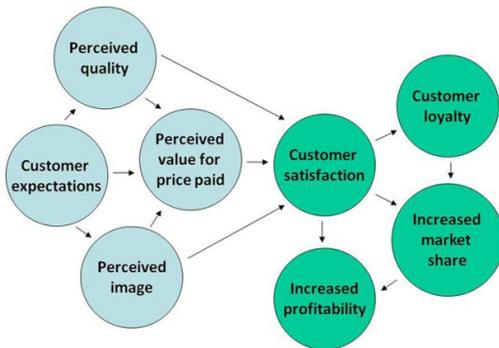


Figure 5: Customer Satisfaction Key Points

SERVQUAL Model based questionnaire was prepared and got filled from the respondents as clients of insurance sector from north India region.

RESEARCH QUESTIONNAIRE

The research questionnaire is solely based on the SERVQUAL model for the query and data collections. The earlier title of SERVQUAL is currently named as RATER Model which includes

- Reliability
- Assurance
- Tangibility
- Empathy
- Responsiveness

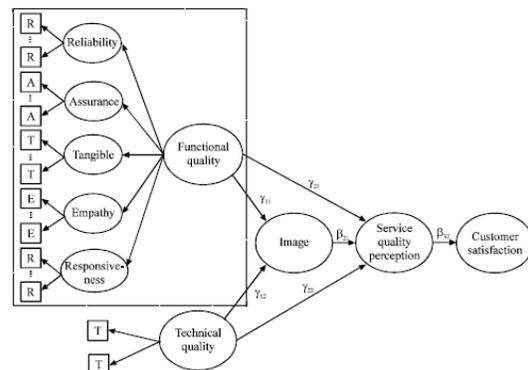


Figure 7: SERVQUAL Model

SERVQUAL is a multi-dimensional research instrument, designed to capture consumer expectations and perceptions of a service along the five dimensions that are believed to represent service quality. SERVQUAL is built on the expectancy-disconfirmation paradigm, which in simple terms means that service quality is understood as the extent to which consumers' pre-consumption expectations of quality are confirmed or disconfirmed by their actual perceptions of the service experience. When the SERVQUAL questionnaire was first published in 1988 by a team of academic researchers, A. Parasurman, Valarie Zeithaml and Leonard L. Berry to measure quality in the service sector it represented a breakthrough in the measurement methods used for service quality research. The diagnostic value of the instrument is supported by the model of service quality which forms the conceptual framework for the development of the scale (i.e. instrument or questionnaire). The instrument has been widely applied in a variety of contexts and cultural settings and found to be relatively robust. It has become the dominant measurement scale in the area of service quality. In spite of the long-standing interest in SERVQUAL and its myriad of context-specific applications, it has attracted some criticism from researchers.

Summary of SERVQUAL items		
Dimension	No. of Items in Questionnaire	Definition
Reliability	5	The ability to perform the promised service dependably and accurately
Assurance	5	The knowledge and courtesy of employees and their ability to convey trust and confidence
Tangibles	4	The appearance of physical

		facilities, equipment, personnel and communication materials
Empathy	5	The provision of caring, individualized attention to customer
Responsiveness	4	The willingness to help customers and to provide prompt service

The development of the model of service quality involved a systematic research undertaking which began in 1983, and after various refinements, resulted in the publication of the SERVQUAL instrument in 1988.^[14] The model's developers began with an exhaustive literature search in order to identify items that were believed to impact on perceived service

quality. This initial search identified some 100 items which were used in the first rounds of consumer testing. Preliminary data analysis, using a data reduction technique known as factor analysis (also known as principal components analysis) revealed that these items loaded onto ten dimensions (or components) of service quality. The initial ten dimensions that were believed to represent service quality were:

1. **Competence** is the possession of the required skills and knowledge to perform the service. For example, there may be competence in the knowledge and skill of contact personnel, knowledge and skill of operational support personnel and research capabilities of the organization.
2. **Courtesy** is the consideration for the customer's property and a clean and neat appearance of contact personnel, manifesting as politeness, respect, and friendliness.
3. **Credibility** includes factors such as trustworthiness, belief and honesty. It involves having the customer's best interests at prime position. It may be influenced by company name, company reputation and the personal

- characteristics of the contact personnel.
4. **Security** enables the customer to feel free from danger, risk or doubt including physical safety, financial security and confidentiality.
 5. **Access** is approachability and ease of contact. For example, convenient office operation hours and locations.
 6. **Communication** means both informing customers in a language they are able to understand and also listening to customers. A company may need to adjust its language for the varying needs of its customers. Information might include for example, explanation of the service and its cost, the relationship between services and costs and assurances as to the way any problems are effectively managed.
 7. **Knowing the customer** means making an effort to understand the customer's individual needs, providing individualized attention, recognizing the customer when they arrive and so on. This in turn helps to delight the customers by rising above their expectations.
 8. **Tangibles** are the physical evidence of the service, for instance, the appearance of the physical facilities, tools and equipment used to provide the service; the appearance of personnel and communication materials and the presence of other customers in the service facility.
 9. **Reliability** is the ability to perform the promised service in a dependable and accurate manner. The service is performed correctly on the first occasion, the accounting is correct, records are up to date and schedules are kept.
 10. **Responsiveness** is the readiness and willingness of employees to help customers by providing prompt timely services, for example, mailing a transaction slip immediately or setting up appointments quickly.

Further testing suggested that some of the ten preliminary dimensions of service quality were closely related or autocorrelated. Thus the ten initial dimensions were reduced and the labels amended to accurately reflect the revised dimensions. By the early 1990s, the authors had refined the model to five factors which in testing, appear to be relatively stable and robust.

1. **Reliability:** the ability to perform the promised service dependably and accurately
2. **Assurance:** the knowledge and courtesy of employees and their ability to convey trust and confidence
3. **Tangibles:** the appearance of physical facilities, equipment, personnel and communication materials
4. **Empathy:** the provision of caring, individualized attention to customers
5. **Responsiveness:** the willingness to help customers and to provide prompt service

Conclusion

The five dimensions of service quality that form the basis of the individual items in the SERVQUAL research instrument (questionnaire). The acronym RATER, is often used to help students of marketing remember the five dimensions of quality explicitly mentioned in the research instrument. It is these five dimensions that are believed to represent the consumer's mental checklist of service quality.

References

- Wagner, W. and Zubey, M., 2006. *Customer Relationship Management*. Course Technology Press.
- Chen, I.J. and Popovich, K., 2003. Understanding customer relationship management (CRM) People, process and technology. *Business process management journal*, 9(5), pp.672-688.
- Winer, R.S., 2001. A framework for customer relationship management. *California management review*, 43(4), pp.89-105.
- Tan, K.C. and Pawitra, T.A., 2001. Integrating SERVQUAL and Kano's model into QFD for service excellence development. *Managing Service Quality: An International Journal*, 11(6), pp.418-430.
- Cuthbert, P.F., 1996. Managing service quality in HE: is SERVQUAL the answer? Part 1. *Managing Service Quality: An International Journal*, 6(2), pp.11-16.
- Kumar, V., 2010. *Customer relationship management*. John Wiley & Sons, Ltd.