

A STUDY ON ASSESSMENT OF SERVICE QUALITY BY TRAVEL AGENTS IN THE STATE OF PUNJAB

Mr. Raju Rosha¹, Dr. Navdeep Kaur²

*¹Research Scholar, Department of Business Administration, IKG-PTU, Jalandhar
Punjab) (India*

*²Associate Professor, Department of Business Administration, GNDEC – Ludhiana
(Punjab (India)*

ABSTRACT

Considering the importance of consumer/customer in business organizations, the study aims at to identify the mediating variables of service quality dimensions that lead to satisfaction of customers by investigating the influence of perceived service quality, perceived value, and customer satisfaction in the context of travel agents in Punjab. Customized SERVQUAL (AGENT-QUAL) & Collection of necessary data shall be through questionnaire/schedule (primary data) and also other relevant secondary sources. However, before using the structured questionnaire / schedule, a pilot study was conducted to analyze and rectify the shortcomings/deficiencies. Both descriptive and inferential statistics was employed in analyzing the data to be collected using closed-ended multiple choice questionnaires.

Keywords: Travel Agents, Punjab, Perceived Service Quality, Customer Satisfaction SERVQUAL Analysis.

I. INTRODUCTION

It is believed that the goal of every organization is to meet the needs and the requirements of its stakeholders. Meeting the needs and the requirements of the stakeholders will not only ensure the survival of the organization but also flourish it. Customer is presumed to be one of the most important stakeholders in any organization because without him, organizations are not likely to succeed. Travel trade in India contributes 6.8% of India's GDP, INR 2,178.1 Billion to the country's GDP, USD 18.13 Billion in foreign exchange earnings, 3.6 % growth is foreign tourists from May 2015, 39.5 million jobs, 7.7% of its total employment. Total travel agents in Punjab : 20,000 (approx) doing monthly business of Rs.200 crore, IATA – approved agents : 224, TAAI – approved agents : 86, Immigration agents accredited by Ministry of Tourism : 14 , Agents accredited by Ministry of Labor : 24, Approx. 98 % of agents are non - registered , Punjab state government has given orders for the registration of the travel agents under the PTPR Act. 2012

How customer judge the five dimension of service quality in service provided by travel agents:

| RATER dimensions (Service Quality) | | | | |
|--|--|---|---|---|
| Reliability | Responsiveness | Assurance | Empathy | Tangibles |
| All the promised tasks well performed, Convenient and flexible working hours, Right service at first time, Sincere interest to solve customer problem. | Employees understand the specific needs of the customer, Prompt service, Employees behavior, Employees are willing to help, Employees are courteous with customers | Competent employees, Employees have sufficient knowledge about the service, reputation. | Understanding of special individual needs, Sufficient resources to offer good service, Employees follow up each customer individually, Personal attention by employees. | Appealing office decor, Other material elements and documents, Employees look clear and tidy. |

II. LITERATURE SURVEY

Mohamed Abd Alla (2007), *Service quality of travel agents: The view point of tourists in Egypt*, The main findings of the research is there is a notable gap between customer expectations and perceptions corresponding to the service quality introduced by travel agents, indicating that the customers' expectations of the service quality were not met. He suggested five factors named responsiveness, reliability, empathy, resources and corporate image and tangibility. Parasuraman et al. (1985), Identified ten components of SQ: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding, tangibles. In their 1988 work these components were collapsed into five dimensions: reliability, assurance, tangibles, empathy and responsiveness. Reliability, tangibles and responsiveness remained distinct, but the remaining seven components collapsed into two aggregate dimensions. Assurance and empathy. Ali Faizen (2012), *An assessment of the service quality using Gap analysis: A study conducted at Chitral*, In this study the perceived quality of a given service is the outcome of an evaluation process during which customers compare their prior expectations of the service with that they have actually received. i.e. having perceived service against the expected service. Overall satisfaction will have huge impact on service quality dimensions of agents. Service organizations can achieve a strong reputation for quality service only when they consistently meet or exceed customer service expectations. Shahin Arash (2011), *Estimation of customer dissatisfaction based on service quality gaps by correlation and regression analyses in a travel agency*, this paper includes five major categories of service quality dimensions and is further subdivided in 15 dimensions and an additional question for measuring the overall dissatisfaction. The findings imply that maximum value gap is related to 'appealing accommodation facilities', which is a part of the dimension of tangibles. The minimum value gaps are also related to 'on time delivery' and 'reputation of service. Regression analysis has proved and estimated liner correlation between the gaps of empathy and tangibles and the overall customer satisfaction. Audu Ahmed (2011), *Determinants of customer behavioral intension in Nigerian retail banks*, This study aims at investigating

the influence of perceived service quality, perceived value, corporate image and switching cost on the consumer behavioral intention in the context of banks. Service quality has a significant influence on consumer behavior. The corporate image plays a significant role in the formation of behavior intention. The customer perceived value associated with the behavior intention. Gulid Nak (2010), *Tourist consumer behavior and destination positioning for Chainat Province*, By this study it can be concluded that tourist consumer is mainly driven by behavioral intention, attitude towards destination, and destination equity. Concerning that tourism category, religious tourism and man-made attractions are the strongest categories of Chainat province. Tourism consumer behavior = behavioral intention + attitude towards destinations + destination equity. Zehrer Anita (2009), *Service design in tourism: Customer experience driven destination management*, this paper reports the development of software for mobile phones, which enables customers to add and modify touch points on their customer journey. From the supply perspective, the constant and effective improvement of the service quality provides an opportunity in particular for small and medium sized structure tourism industry to compete with larger competitors. The adoption of 'service orientation' by tourism business has thus become of increasing interest in recent years as a crucial factor in the enhancement of profit growth, customer satisfaction, customer loyalty and satisfaction. Kouthouris Charilaos (2005), *Can service quality predict customer satisfaction and behavioral intentions in sport tourism industry? An application of the SERVQUAL model in outdoors settings*, in this paper two sets of data were collected, the first one before customers participation in the programs in order to measure their quality expectations and second one after customers participation in the program, in order to measure their quality perceptions. The results of the study did not provide support for the applicability of SERVQUAL in outdoor services. The five dimensions of the model predicts very low amount of variances in both the satisfaction and behavioral intentions variable. This result indicates the need for further research on the factors that determine customer satisfaction in outdoor settings.

III. RESEARCH QUESTION(S)

This research addresses the following questions related to services provided by travel agents in Punjab:

- a) Which service quality dimensions are the best predictors of overall service quality in terms of satisfaction in the service sector?

IV. OBJECTIVE AND HYPOTHESIS OF RESEARCH

- a) To identify the mediating variables of service quality dimensions leads to customer satisfaction.

H₀: There is no significant evidence that service quality dimensions will have a significant impact on overall satisfaction customers.

H₁: There exists significant evidence that service quality dimensions will have a significant impact on overall satisfaction customers.

V. RESEARCH METHODOLOGY

There are number of other industry specific studies that have been conducted using SERVQUAL Model like car retailing (Carman, 1990), travel and tourism (Fick, 1991), health tourism (Jyothis, 2009), hospitality (Saleh,

1991). To collect appropriate data, it employs a survey technique and Customized SERVQUAL (AGENT-QUAL) was used. Structured questionnaire will be designed and used to collect evidences. Population of people who had actually encountered the various services modes describe in the scenario was our sampling frame. Sampling unit was the consumer from different age groups, gender, location, income levels and educational backgrounds with total of 100 customers. Descriptive Research design with Area sampling as a sampling method was used. The questionnaire had three sections. The first section focused on the demographic information and travel characteristics of the respondents. The second section attempted to explore the level of service quality in hotel industry which used the 22-item SERVQUAL (Parasuraman, Zeithaml, and Berry, 1985, 1988, 1991, 1994) instrument. Data were captured on a 5-point Likert scale ranging from ‘strongly disagree’ with scale point 1 to ‘strongly agree’ with scale point 5. The final section of the questionnaire attempted to explore the overall level of tourist satisfaction by employing a 5-item self-administered questionnaire captured on a 5-point Likert scale with scale point 1 indicating ‘highly dissatisfied’ to scale point 5 indicating ‘highly satisfied’. Reliability analysis was conducted employing the Cronbach’s Alpha (Cronbach, 1951) to evaluate the internal consistency of the scale items. The Cronbach alpha (α) for the overall expectation and overall perception of service quality were 0.96 and 0.95 respectively

VI. OVERALL SATISFACTION WITH HOTEL SERVICE QUALITY

The following table exhibits the overall level of satisfaction with travel agents service quality as revealed from the study.

| Dimensions of Service | Number of Respondents | Mean Satisfaction | Standard Deviation |
|-----------------------|-----------------------|-------------------|--------------------|
| Tangibles | 100 | 4.1 | .43 |
| Reliability | 100 | 4.3 | .69 |
| Responsiveness | 100 | 3.6 | .78 |
| Assurance | 100 | 3.5 | .91 |
| Empathy | 100 | 3.4 | .92 |
| Overall | 100 | 3.8 | .63 |

The table shows the overall mean satisfaction score at 3.8 on a 5-point scale, which indicates ‘moderate satisfaction’ with travel agents service quality. Dimension-wise it was observed that the highest mean satisfaction was with ‘tangibles’ dimension (M= 4.1), followed by ‘reliability’ dimension (M= 4.3), ‘responsiveness’ dimension (M= 3.6), ‘assurance’ dimension (M=3.5), and ‘empathy’ dimension (M= 3.4) respectively. The overall mean satisfaction (M= 3.8) indicates that the level of customer satisfaction with travel agents service quality was ‘not highly satisfactory’.

One sample t-test was run to investigate if the overall satisfaction of the customers with travel agents service quality was below 5. The result is shown below:

| Test Value = 4.02 | | |
|-------------------|-----|-----------------|
| t | df | Sig.(2-tailed) |
| -3.201 | 398 | 0.001 (p <0.01) |

The result shows that the overall mean satisfaction ($M = 3.8$) was highly strongly significant which was lower than the test value 4.02 ($t = -3.201$, $p < .01$). This result leads to support the statement that the level of customer satisfaction is 'not more than moderately satisfactory or not equal to highly satisfactory'. Otherwise said, the overall satisfaction ($M = 3.8$) with travel agents service quality is 'not highly satisfactory'.

VII. SOCIAL IMPLICATIONS

The World Travel and Tourism Council (WTTC) predicts that tourism employment will grow to be a quarter of a billion jobs by 2016 i.e. 8.1% of the total employment. Given research increases competitive chances through better quality services for tourists, and pursuit towards excellence leading to respective implementation constitutes the value chain to both public and private organizations that maximize the value chain of the tourist experience.

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