

## **Relationship between RATER Service Quality Dimensions and Customer Satisfaction – Study on Travel agents in Punjab**

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### **ABSTRACT**

*The research study aims to focus on significant relationship between RATER service quality dimensions and satisfaction of the customers of the travel agents in Punjab, to achieve this objective the researcher used self-administrative questionnaire to collect primary data from 1000 customers by using non probability convenience sampling technique. Opinions on customer satisfaction were recorded on 7 point semantic differential scale and RATER dimensions were quantified by using 21 item SERVQUAL instrument. This study employed a descriptive single cross sectional design. Research study used IBM SPSS version 20 for multiple regression model and ANNOVA test. Findings of the research study revealed the existence of statistically significant relationship between RATER service quality dimensions and customer satisfaction.*

**Keywords:** RATER, Multiple Regression Models, ANNOVA, travel agents, Punjab.

### **INTRODUCTION:**

The share of the service sector is growing in the economies of the country. New technologies and social developments increase the expectation level of the customers. Continual increase in better quality services is needed in order to out-compete your competition (Foster, 1997). Currently there are 25,000 travel agents in the Punjab. It gives the customers more options for service selection with affordable price as required by the customers. Travel agents have to give stress on innovative service marketing strategies in small details to succeed. Customer satisfaction is found when actual services of the travel agents met or outperform the level of customers' expectations. Thus the topic of this study "Relationship between rater service quality dimensions and customer satisfaction – study on travel agents in Punjab" examines the customer point of view. This research study helps and gives blueprint to improve service quality of the travel agents in Punjab.

### **REVIEW OF LITERATURE:**

(A Parasuraman, Zeithaml, & Berry, 1988) defined customer satisfaction as outcome observed by the customer after fulfilled the expectations. Customer satisfactions were directly proportional to degree of expectations fulfilled by the service provider. If service performance is less than the customer expectations leads to dissatisfaction among customers. (Lovelock & Wirtz, 2010) related the customer satisfactions to quality of the service provided by the service provider. Service qualities have strongly correlated with performances of the benefit, and better performances leads to customer satisfactions. (Grönroos, 2007) empirically tested the components of customer satisfaction and conceptualize satisfaction as the comparison between customer expectations and customer perceptions. Perceived service quality, expectations towards service quality and cognitive standards were three dimensions of the customer satisfactions (A. Parasuraman, Zeithaml, & Berry, 1994). (Bitner & Gremler, 2010) supported the view that customer satisfactions played an important role in service providers' growth and directly associated with the company's profits. Customers' reaction towards

service provider directly relates to satisfaction. (Chan, Hsu, & Baum, 2015) employed focused approach to study the relationship between performance of the services and satisfaction, between performance of the services and behaviour intensions. The results of this research study suggested that behaviour intensions of customers were determined by customer satisfactions. (Gaji, Kova, & Peni, 2014) emphasised on three basic elements to explain level of customer satisfaction in service sector. These three basic elements were specific time, service encounter and judgments of the customers. The SERVQUAL (Zeithaml, Berry, & Parasuraman, 1996) technique use five RATER dimensions (reliability, assurance, tangibles, empathy and responsiveness) for evaluating and examine the service quality of the customers. Tangibles are the physical aspects of the service provider to indicate the added facilities of a service (Reid, 2011). Reliability provide services to the customers as per promised by service provider (Olorunniwo & Hsu, 2006). Responsiveness represents willingness to provide service at a given moment (Kouthouris, Alexandris, & Kouthouris, 2005). Assurance demonstrates the skills and knowledge of the employees of the service provider (Yu, Morais, & Chick, 2005). Finally empathy is the ability of the service provider to treat and care an individual customer (Kouthouris et al., 2005).

**OBJECTIVE:**

The main objective was “to examine the relationship between RATER service quality dimensions and customer satisfaction”

**RESEARCH METHODOLOGY:**

A self administrated questionnaire was used to collect data from 1000 customers who have received the services of travel agents in the state of Punjab by convenience sampling procedure. Opinions on customer satisfaction (Siniscalco & Auriat, 2005) were recorded on 7 point semantic differential scale and RATER dimensions were quantified by using 21 item SERVQUAL instrument. This study employed a descriptive single cross sectional design. Research study used IBM SPSS version 20 for multiple regression model (Rawlings, Pantula, & Dickey, 1998) and ANNOVA test (Arkkelin, 2014).

**RESULTS AND FINDINGS:**

In this part of the research study linear regression model was run by using IBM SPSS 20 software as specification given below:

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“REGRESSION
/MISSING LISTWISE
/STATISTICS COEFF OUTS R ANOVA
/CRITERIA=PIN (.05) POUT (.10)
/NOORIGIN
/DEPENDENT Consumer.Satisfaction
/METHOD=ENTER Reliability Assurance Tangibles Empathy Responsiveness”
```

**Table. 1: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.358 <sup>a</sup>	.128	.124	1.13813	1.704
a. Predictors: (Constant), Responsiveness, Tangibles, Assurance, Reliability, Empathy					
b. Dependent Variable: Consumer.Satisfaction					

Table.1 shows that model summary of linear regression model run on IBM SPSS 20 and overall output statistics matrix (Rawlings et al., 1998). The value of adjusted R<sup>2</sup> = 0.124, R<sup>2</sup> = 0.128 & R = 0.358, it means that multiple linear regression model explains 12.8% of the variance in the given data (Plotts, 2011). The value of Durbin-Watson d = 1.704 (1.5 < d < 2.5) revealed that there exist no first order auto correlation in multiple linear regression in surveyed data (Rawlings et al., 1998).

Table 2: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	188.943	5	37.789	29.173	.000 <sup>b</sup>
	Residual	1287.566	994	1.295		
	<b>Total</b>	<b>1476.509</b>	<b>999</b>			
a. Dependent Variable: Consumer.Satisfaction						
b. Predictors: (Constant), Responsiveness, Tangibles, Assurance, Reliability, Empathy						

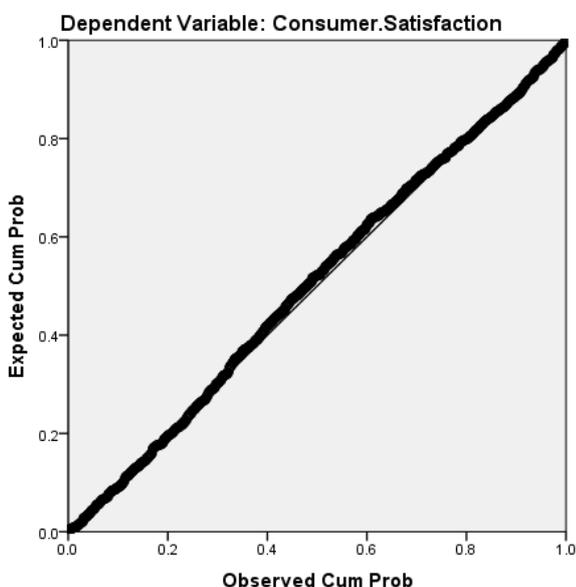
The next output table. 2 represent the result of ANNOVA test. The null hypothesis “model explains 0 variance ( $R^2 = 0$ ) in dependent variable” was rejected as the ‘sig.’ value  $< 0.05$  (Villamorán, 2007). The F – test is statistically significant and explains significant amount of variance between customer satisfaction and RATER dimensions.

Table 3: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.253	.267		4.688	.000
	Reliability	.129	.043	.103	2.966	.003
	Assurance	.082	.030	.084	2.719	.007
	Tangibles	.079	.043	.072	1.865	.062
	Empathy	.204	.043	.185	4.774	.000
	Responsiveness	.167	.041	.139	4.025	.000
a. Dependent Variable: Consumer.Satisfaction						

The information in the table.3, also allows us to predict customer satisfaction from RATER service quality dimensions in our multiple regression model. It was determined that a reliability, assurance, empathy and responsiveness service quality dimension contributes statistically significantly with ‘sig.’  $< 0.05$ . By looking at the "Sig." column  $< .05$ , it was revealed that the tangibility service quality dimension is not statistically significant as the "Sig." column  $> .05$ .

Normal P-P Plot of Regression Standardized Residual



Histogram

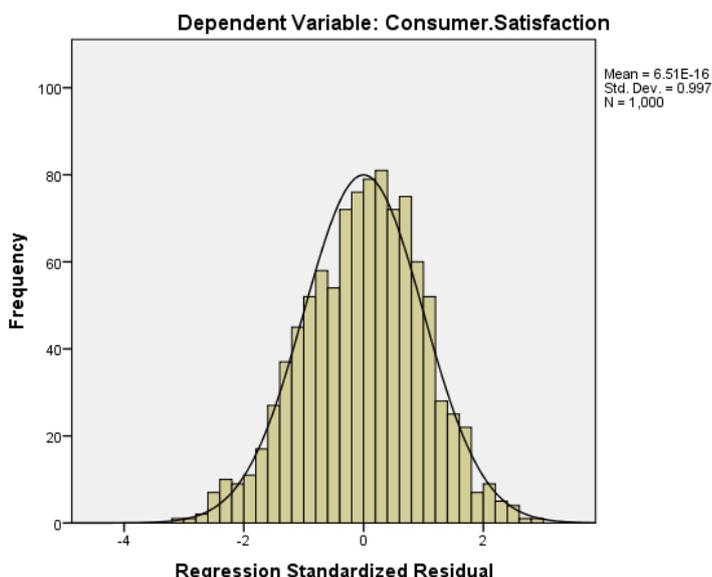


Figure.1: P-P Plot & Histogram

Lastly, figure.1 shows normality of residuals. The relationships between percentiles are approximately linear in nature (Chaubey & Patil, 2015). Points in given figure follows normal line with deviation close to zero (Arkkelin, 2014). Clearly indicated that the normally distribution of residuals.

#### CONCLUSION:

- a. The coefficient for reliability service quality dimension is 0.129, for every unit increase in reliability. Approximately 0.129 unit increase in customer satisfaction is predicted, assuming all other variables are constant.
- b. The coefficient for assurance service quality dimension is 0.082, for every unit increase in assurance. Approximately 0.082 unit increase in customer satisfaction is predicted, assuming all other variables are constant.
- c. The coefficient for tangibles service quality dimension is 0.079, for every unit increase in tangibles. Approximately 0.079 unit increase in customer satisfaction is predicted, assuming all other variables are constant.
- d. The coefficient for empathy service quality dimension is 0.204, for every unit increase in empathy. Approximately 0.204 unit increase in customer satisfaction is predicted, assuming all other variables are constant.
- e. The coefficient for responsiveness service quality dimension is 0.167, for every unit increase in responsiveness. Approximately 0.167 unit increase in customer satisfaction is predicted, assuming all other variables are constant.
- f. Regression equation: Customer satisfaction = 1.253 + 0.129(reliability) + 0.082(assurance) + 0.079(tangibles) + 0.204(empathy) + 0.167(responsiveness)

#### MANAGERIAL IMPLICATIONS:

Customers were moderately satisfied with the quality of the service provided by the travel agents in the state of Punjab. Service providers should further improve the service quality by making strategies with respect to RATER dimensions. Integrated and comprehensive marketing plan is needed for overall 360 degree development of different aspects of the service quality especially in tangibility aspect of the services. Modern equipments and suitable environment enhance performances of the travel agents to reap more innovative profitable transactions by working on the current promotional mix strategies.

#### SUGGESTIONS:

The study surveyed only the current customers in the state of Punjab. For further studies in future, the opinions of the old customers should be taken into consideration. *Models to Repeated Cross-Sectional Survey Data* (Broadhurst, Holt, & Doherty, 2012) should be used to examine the customer satisfaction related to service provided by travel agents in Punjab. There should be follow up study once a year to understand and improve the service quality of travel agents (Olorunniwo & Hsu, 2006).

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