

## Impact Of Service Quality On Customer Loyalty With Reference To Bharat Gas Agencies In Tirupattur District, Tamil Nadu

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### ABSTRACT

Across the world, (Liquefied Petroleum Gases) LPG industry is constantly facing strong competition and constantly facing challenges from the market. To face the heavy competition and survive in the market the quality of services is only way. Service quality has become a crucial factor for any successful business. The efficient service delivering is to be systemized for maintaining customer allegiance. Particularly for LPG gas delivery service provider's victory and long term survival greatly depends on quality of services. The mantra for retaining the customers is by making them loyal by providing outstanding service quality such that their expectation is over ruled by the performance. Hence this research paper is aimed to analyze the service quality and its influence on customer loyalty with special reference to Bharat gas agencies in Tirupattur District, Tamil Nadu. A survey has been conducted among 200 customers of Bharat gas agencies in Tirupattur District. A convenience sampling technique was employed to collect the required data. The researchers used statistical tools such as reliability test, percentage analysis and multiple regression analysis to analyze the collected data. The research revealed that there is a strong impact of each service quality dimensions on customer loyalty.

**Key Words:** service quality, Bharat gas agencies, customer loyalty.

### 1. INTRODUCTION

In this digital era, the service sector has been growing at a lighting haste across the worldwide. Rivalry and expansion in technology have brought about drastic transformation in customer service. India is no exclusion to the current global trend. In our country, the service sector contributes chiefly to the national economy. It is bossy to trigger the growth of industrial sector, particularly manufacturing sector in the medium and long term and it is also alike important to maintain a decent and relentless development of agricultural sector, which still depends on the vagaries of flora in the short and even medium term, but the sure pointer for higher growth of the Indian economy is anticipated in giving further tonic to the growth of the services sector, which can be achieved with considerable ease compared to other sectors.

In India, for establishing service quality standard of LPG numerous surveys have to be conducted to identify the problems associated with the service quality evaluation and customer loyalty of LPG industries for getting cost effectual solutions. In some parts of India, performance standard is up to the mark of customer satisfactory level but on other hand there are some places where customers are not satisfied with the LPG industry. Pricing and distribution is the basic difficulties faced by Indian customers. The gas distribution problem occurs owing to the lack of interest on consumer service. In today's LPG market, complains registration is done through

computerized progression by the customers and the customers are becoming more sensitive to LPG gas problems. Customers also have the right to select their suppliers of LPG as well as good service quality. Hence this study has been undertaken to measure the performance of Bharat LPG gas agencies and impact of service quality on customer loyalty.

**Service:** A type of economic activity that is intangible not stored and does not result in ownership. A service is consumed at the point of sales.

**Quality:** Quality is the ongoing process of building and sustaining relationships by assessing, anticipating, and fulfilling stated and implied needs.

**Service Quality:** Service quality is defined as the degree of discrepancy between customers' normative expectation for service and their perceptions of service performance. The definition of service quality can be extended to the overall evaluation of a specific service with ten service quality dimensions such as tangibility, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understanding the customer (Parasuraman et al., 1985). Delivering appropriate service quality plays an increasingly important role in service industries such as banking, insurance, etc as the service quality is vital to the profitability and survival of these organizations. Therefore, it is worth to measure service quality to obtain better understanding.

**Customers' Loyalty:** Customer loyalty is a feeling of commitment on the part of the consumer to a product, brand, marketer, or services above and beyond that for the competitors in the market place, which results in repeat purchase. A loyal customer to a bank is thus, one who will stay with the same service provider. Loyal customers are important, because they contribute to the bank's profitability by passing positive words of mouth and retain their customer ship.

## **2. REVIEW OF LITERATURE**

**Prachi Verma et al. (2020)**, Analyzed the Functional Dimensions of Service Quality, The study also analyzed the various gaps in the perceptions and expectations of service quality by patients in the district hospitals. The study was carried out at district hospital of Panchkula, Haryana. A total of 137 respondents were approached for the study. This study conveys that several factors of service quality act as major antecedents to create satisfied patients and reinforce positive behavioral perceptions among them.

**Suchismita Satapathy et al. (2019)**, examined the customers' perception on quality of supply of LPG gases. This data were collected from the various part of the India. From the result it can be observe that the LPG customers of India are not fully satisfied with the companies. So it is the time for the existing LPG gas companies to take some severe and effectual steps for better service quality to satisfy their customers.

**Dr. C. Mugunthan et al. (2018)**, analyzed the Service Quality Perceptions of Bharat LPG Users in Salem City. From the study shows that the majority of the respondents feel that they have high level problems in gas booking, getting new connection, prompt delivery, irregularity of price, door delivery etc. Some of the respondents said that they have faced medium level problems in poor communication in gas booking and delayed in refilled cylinder, waiting for new connection and door delivery.

**Deepika arora & A. Saxena (2013)** studied the inter relationship of service quality aspects, customer satisfaction and customer loyalty in banking sector of India. A sample of 100 banking customers was taken for the study based on convenience sampling method. The researchers were used mean, standard deviation, and correlation analysis to analyze the data. The results showed that all the service quality attributes are positively correlated with customer satisfaction and customer loyalty.

**Lenka, Suar and Mohapatra (2009)** in a case study of Orissa state analyzed service quality of Indian commercial banks fosters customer loyalty. The paper found that better human, technical and tangible aspects of service quality of the bank branches increase customer satisfaction and customer loyalty. Human aspects of service quality were found to influence customer satisfaction and customer loyalty more than the technical and tangible aspects.

**Mushtaq A Bhat (2005)** conducted a research titled “service quality perceptions in banks a comparative analysis”. The sample for the study comprised of 800 bank customers and 370 bank officials. Simple random sampling was followed. The result showed that the delivery of quality service in banks, what matter are speed, accuracy, promptness, reliability, individualized attention, etc. Hence he concluded that banks must pay attention to potential failure points and service recovery procedures, which become integral to employees' training.

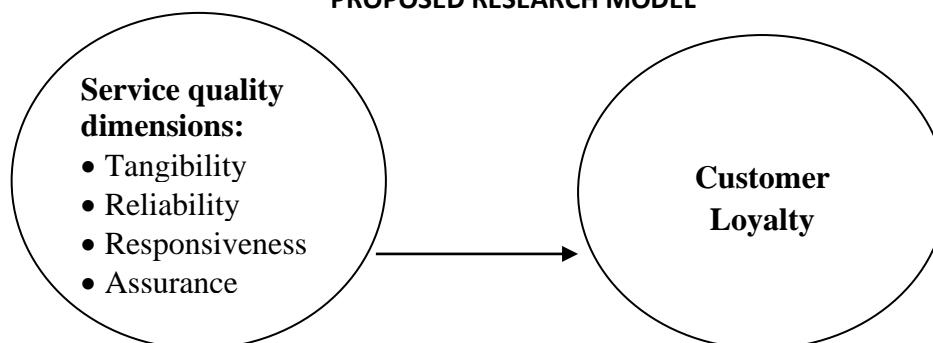
### 3. OBJECTIVES OF THE STUDY

1. To study the demographic factors of Bharat LPG gas customers in Tirupattur District.
2. To identify the prevailing service quality gap.
3. To analyze the impact of service quality dimensions on customer loyalty.

### 4. RESEARCH METHODOLOGY

The descriptive research design has been used for this research. Both primary and secondary data have been used. The primary data were collected through a well structured SERVQUAL model questionnaire which consists of 22 questions. A convenience sampling which comes under non-probability technique was employed. Data collected from 200 Bharat gas customers in Tirupattur District, Tamil nadu. The secondary data were collected from books, journals and articles. To analyze the collected data the researchers calculated the average gap score (standard deviation) for each dimension and then calculated the overall gap score. Percentage analysis was used to find the frequency and percentage of demographic profile of the respondents. To find the impact of service quality dimensions on customer loyalty the multiple regression applied. Data analysis was done using SPSS software.

#### PROPOSED RESEARCH MODEL



## 5. DATA ANALYSIS AND INTERPRETATION

**Table 1 - Reliability test**

S. No.	Variable Name	Cronbach's Alpha	No. of Items
1.	Service quality	0.961	22
2.	Customer loyalty	0.823	4

The results of the reliability test indicate that all the measures are having reliability more than 0.8. Hence the questionnaire is highly reliable.

**Table 2 - Characteristics of the Respondents**

S.No.	Particulars	Frequency	Percentage
1	<b>Age</b>		
	20-30 years	77	39
	31-40 years	97	49
	41-50 years	16	8
	51-60 years	5	3
	Above 60 years	5	3
	<b>Total</b>	<b>200</b>	<b>100</b>
2	<b>Gender</b>		
	Male	78	39
	Female	122	61
	<b>Total</b>	<b>200</b>	<b>100</b>
3	<b>Marital status</b>		
	Married	104	52
	Unmarried	96	48
	<b>Total</b>	<b>200</b>	<b>100</b>
4	<b>Educational Qualification</b>		
	Below SSLC	4	2
	SSLC	7	4
	HSC	18	9
	Degree	139	70
	Others	32	15
	<b>Total</b>	<b>200</b>	<b>100</b>
5	<b>Annual income</b>		
	Below Rs.2 lakhs	86	45
	Rs.2-4 lakhs	98	49
	Rs.4-6 lakhs	10	5
	Rs.6-8 lakhs	5	2
	Above Rs.8 lakhs	1	0
	<b>Total</b>	<b>200</b>	<b>100</b>

**Interpretation:**

The above table shows that 49% of the respondents belong to age group between 31 to 40 years, 61% of respondents are female, 52% are married, 70% of respondents are degree holders, and 49% of respondents are earning income between Rs.2-4 lakhs.

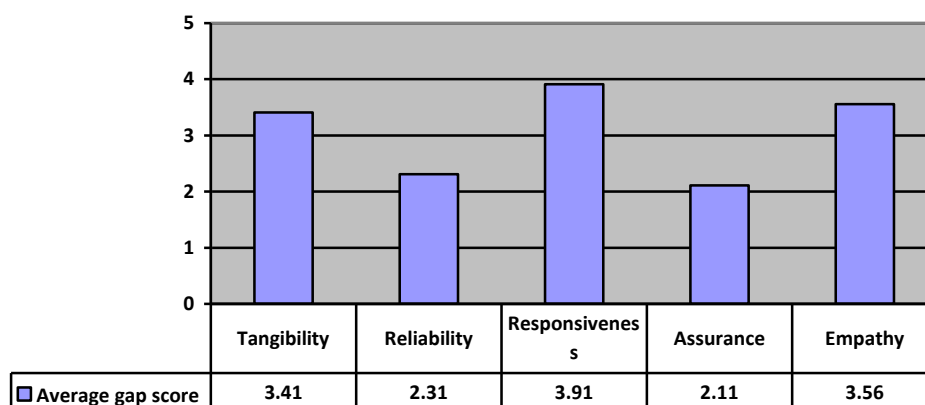
## 5.2 AVERAGE SERVICE QUALITY GAP SCORE OF BHARAT GAS AGENCIES IN TIRUPATTUR DISTRICT

S. No.	Dimensions	Average gap score
1.	Tangibility	3.41
2.	Reliability	2.31
3.	Responsiveness	3.91
4.	Assurance	2.11
5.	Empathy	3.56
Average gap score		3.06

### Interpretation:

The above table clearly shows that except reliability and assurance factors, the bharat gas delivery service providers in tirupattur district secured moderate gap scores. The “responsiveness” factor secured high score of 3.91 compared to other dimensions responsiveness includes personalized service/individual attention to the customers. The agents can takes regular feedback from their clients in order to enhance its service.

### Graphical Representation



## 5.3 MULTIPLE REGRESSION ANALYSIS

In the following analysis, in order to find the association between service quality dimensions and customer loyalty of Bharat gas agencies in Tirupattur district, five Independent factors were studied. And it was found that all the five dimensions of quality were closely associated with customer loyalty.

Selected independent variables are:

1. Tangibility
2. Reliability
3. Responsiveness
4. Assurance
5. Empathy

**Dependent variable- Customer Loyalty**

**Table 3 - Multiple Regression Analysis**

	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.960	0.114			
<b>Tangibility</b>	0.218	0.095	0.070	2.293	5%
<b>Reliability</b>	0.068	0.025	0.085	2.758	1%
<b>Responsiveness</b>	-0.410	0.040	-0.303	-10.33	1%
<b>Assurance</b>	0.053	0.023	0.070	2.247	5%
<b>Empathy</b>	0.142	0.072	0.060	1.985	5%

**Dependent variable- Customer Loyalty**

R-Value	R <sup>2</sup> -Value	Degree of freedom – V1	Degree of freedom – V2	F Value	Significance
0.944	0.892	5	989	711.90	1% Level

The multiple linear regression co-efficient (dependent variable) is found to be statistically good fit as  $R^2$  is 0.892. It shows that independent variables contribute about 89.2 percent of the variation in their level of quality and this is statistically significant at 1% level and 5% level respectively. Thus from the above analysis, the following observation could be made. The customer loyalty variable is positively associated with all service quality dimensions namely tangibility, reliability, responsiveness, assurance and empathy.

## 6. DISCUSSION AND CONCLUSION

The LPG market in India this is an imperative competitive time. Like the main LPG companies Indian Oil Corporation Limited, Hindustan Petroleum Limited, Bharat Petroleum Limited should compete to survive in the highly competitive market. But there is a big chance for other new LPG companies to get on the field of LPG market. Now the service quality is the only crucial to success. The customer satisfaction and loyalty lie in effective service quality management. In this the dynamic

business environment, service quality has become the success mantra in all service sectors. Keeping this in mind, this study has been conducted. Liquefied Petroleum Gases is used throughout the home, as a gas to cook with, a source of fuel for central heating and hot water. LP gas is also commonly used in the agricultural sector and as a lower emission automotive transportation fuel Indian households are fully dependent on LPG cylinders. Therefore, attention needs to be diverted towards customers' perception on quality of supply of LPG gases and its related services so that distributors can focus on specific areas of concern to improve quality of services. The loyal customers always contribute themselves and generate new customers. Particularly in gas industry the new customers are generated by loyal customers by their positive words of mouth. The primary objective of this study is to establish causal relationship between the service quality and customer loyalty with special reference to bharat gas agencies in Tirupattur District, Tamil nadu. To find the relationship between the service quality and customer loyalty multiple linear regression co-efficient (dependent variable) used, it is found to be statistically good fit as  $R^2$  is 0.892. It shows that independent variables contribute about 89.2% of the variation in their level of quality and this is statistically significant at 1% level and 5% level respectively. Hence customer loyalty variable is positively associated with all service quality dimensions namely tangibility, reliability, responsiveness, assurance and empathy. So the gas service providers must enhance their service quality to increase the customer loyalty. The average gap score of "responsiveness" dimension showed high gap scores 3.91. Among the five service quality dimensions very less average gap score 2.11 for "assurance" factor. So it is suggested that bharat gas delivery service providers can concentrate on "responsiveness" factor of service quality. Further this research revealed that 70% of the respondents are graduates. So the gas delivery service providers can focus other category of people.

## **7. MANAGERIAL IMPLICATIONS**

"Loyal customers, they don't just come back, they don't simply recommend you, they insist that their friends do business with you"- Chip Bell. Keeping in the mind the Bharat LPG gas agencies can pursue the following suggestions to improve their quality of services and loyalty.

- The result of multiple regression analysis showed that customer loyalty is positively associated with all service quality dimensions namely tangibility, reliability, responsiveness, assurance and empathy. So the Bharat LPG gas service providers can use the service quality as a device to gain the customer loyalty.
- The Bharat LPG gas service providing agencies can simplify the procedure to get new gas connections or reconnection according to the customers' convenience.

## **8. SCOPE FOR FUTURE RESEARCH:**

In future research, the customer satisfaction on domestic gas delivery may be evaluated for other areas to increase the generalization. Furthermore, a small sample may not be the typical of the whole population and hence, in future studies, the research can be conducted by taking a large sample to facilitate a vigorous analysis of the service quality of the LPG gas supply. The future study can also be conducted to identify the relative prominence of each dimension. And also future research can be focused on the alike study of factors affecting customer satisfaction in after-sales service in other protuberant industries such as motorized, construction and other manufacturing as well as new service sectors.

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