



## APPLICATION OF SERVICE GAP MODEL FOR ENHANCING SERVICE QUALITY - A CASE STUDY ON MANDOVI MOTORS SHOWROOM.

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### **Abstract**

*This research study was conducted on behalf of Mandovi Motors, one of the leading Maruti Showroom to find out potential factors responsible for developing customer service gaps which, if not addressed may lead to customer dissatisfaction resulting in reduction in loyal customer base. In order to get the answer to the above issue a structured questionnaire was designed and administered. The primary data were analyzed and it was found that both the company and the customers feel that they position themselves in a satisfactory place with regards to the price paid, hassle-free paper work is done and majority of the customers opined that the services offered by the service station was excellent. Further investigation was conducted through few informal interviews and discussion with customers as well as key personnel of Mandovi Motors. The broad guide lines were suggested for closing the service gaps at its preliminary stage. Timely action in implementing some of these recommendations is likely to strengthen the degree of confidence and will minimize the service gaps.*

**Key Words:** *Service Gap, Customer Expectation, Service Quality, Customer Perception,*

### **INTRODUCTION**

Mandovi Motors is a group of companies originated from Mangalore. It enjoys Maruti Dealership, Tata Dealership, and Bajaj Dealership. Mandovi Motors is one of the first few dealers appointed to sell Maruti vehicles in the year 1983. Since last 20 years it has maintained consistently its market leader position. It has also enjoys ISO certification. Mandovi sells on average 7000 cars per annum. Mandovi started with one Workshop and a Showroom, and have grown with 12 Workshops out of which ten are in Bangalore, one in Mysore and one in Mangalore.

This study has been under taken for Mandovi Motors not only to identify the potential factors that cause various Service Gaps leading customer's dissatisfaction but also to find out how these gaps are minimized to ensure high degree of customer satisfaction with respect to services offered by Mandovi Motors.

### **STATEMENT OF THE PROBLEM**

"Identifying potential factors causing service gaps and determining a sound action plan to minimize them."

### **OBJECTIVES OF THE STUDY**

1. To understand existing system of offering services, during sales and after sales by Mandovi Motors.
2. To identify various factors influencing the customer's satisfaction / dissatisfaction.
3. To offer few suggestions to ensure greater overall operations efficiency.

### **SCOPE OF THE STUDY**

The scope of the study includes understanding and analyzing Service Quality provided by Mandovi Motors, using Service Gaps Model given by Parasuraman, and V.A. Zeithaml. This study aims to know the major factors causing dissatisfaction of the customers during sales and after sales in Mandovi Motors.

### **REVIEW OF THE RELATED LITERATURE**

**Franklin. B ( 2002)**, in his article titled "perception of advertisers and viewers on star TV" attempted to determine the marketers, advertisers and viewers perception towards star network and also the general viewing habits of the consumer to find out What respondents want? He suggested about the Image proximity to viewers and each channels need to create a separate brand having its own identity. He opined that each channel should be having its own identity.

**Annigeri Sahadevappa Yallappa ( 2000)** conducted survey on consumer perception of Hero Honda Splendor Plus" to evaluate the opinions of the customers perception on Splendor Plus in Bangalore, and to identify the factors influencing the customers while deciding to purchase the Splendor Plus. He also attempted to map the degree of satisfaction among the owners and users of Splendor Plus. He found that the price of Splendor Plus was reasonable. The research study indicated that the vehicle is known for its mileage.

**Sushma. R (1998)** conducted a market research and analysis of Banking services and customers perception in Banashankari area” to identify potential buyers and to understand competitors strategies. The author found that the dual account of savings and Fixed Deposit were yet to increase for enlarging its customers base. Banks also need to create more customers awareness.

**Paramita Saha (2003)** in her research study on Customer Satisfaction Feedback For Corolla” aimed to find out degree of customer satisfaction of the existing customer and the gaps between the customer expectation and the efforts of the company. The researcher found that the convenience factor, show room ambience, and sales people manner (politeness and courteousness) etc were critical for the customers to visit particular dealer.

**Koneru Pavan Kumar (2004)** conducted a survey on of the lost customers and formulating a service marketing plan to capture that customer base” to ascertaining the ‘lost’ customers from the database, and why they do not use the service offered based on which he suggested a comprehensive service marketing plan.

## RESEARCH DESIGN

**Universe of the study :** All existing customers of Mandovi Motors.

**Sample size :** 100 respondents selected through Convenience Sampling technique.

**Sources of data :**

**Secondary Data:** company’s records with respect to servicing, service policies and procedures and other relevant documents.

**Primary data :** a structured close-ended questionnaire was designed and administered to get relevant data. Also few informal interviews / discussions were conducted with selected staff to get an in-depth view from the company’s point of view.

## HYPOTHESIS

**1 Null Hypothesis :** The present system of offering services, during and after sales by Mmandovi motors are satisfactory.

**1.1 Alternative Hypothesis:** The present system of offering services, during sales and after sales by Mandovi Motors is not Satisfactory.

**2.Null Hypothesis:**Customers are satisfied with regards to price paid relative to their expectations.

**2.1 .Alternative Hypothesis:** Customers are not satisfied with regards to price paid relative to their expectations.

**3. Null Hypothesis:** Show room personnel can be rated excellent for being Friendly, polite and courteous.

**3.1. Alternative Hypothesis:** Show room personnel can be rated poor for not being friendly, polite and courteous.

**4. Null Hypothesis:** Mandovi Motors provides Hassle-free paper work / Purchase /finance process to its customers.

**4.1. Alternative Hypothesis:** Mandovi Motors does not provide Hassle-free paper work / Purchase / finance process to its customers.

**5 .Null Hypothesis:** Sales people’s knowledge about the product is limited.

**5.1 .Alternative Hypothesis:** Sales people’s knowledge about the product is not limited.

## DATA ANALYSIS AND INTERPRETATIONS

### Convenience of the Location

Convenience	No of Respondents	Percentage
Accessible	100	56
Not Accessible	100	0
Convenient	100	40
Very Far off	100	4

The graph vividly depicts that the percentage of respondents who felt the location being Accessible are 56%, Not accessible 0%, Convenient 40%, and as very far off are 4%.

### Customer Satisfaction Matrix

Position	No of Respondents	Percentage
Delighted	100	32
Satisfied	100	66
Unsatisfied	100	2
Poor	100	0

From the above table/graph we can infer that the satisfaction level of customer with regards to Price paid relative to their expectation are as follows, Delighted are 32%, Satisfied are 66%, Unsatisfied are 2%, and Poor are 0%.

### Convenience of parking place

Availability	No of Respondents	Percentage
Outstanding	100	66
Excellent	100	18
Good	100	12
Average	100	4
Poor	100	0

It is apparent from the above table/graph that the percentage of respondents who rate the Parking Place as Outstanding are 66%, Excellent are 18%, Good are 12%, Average are 4%, and Poor is 0%.

### Ambience of the showroom

Ambience	No. of Respondents	Percentage
Outstanding	100	30
Excellent	100	56
Good	100	12
Average	100	2
Poor	100	0

It is apparent from the above table/graph that the percentage of respondents who rate the Ambience of the Show Room as Outstanding are 30%, Excellent are 56%, Good are 12%, Average are 2%, and Poor is 0%.

### Knowledge of the Sales Person

Knowledge	No of Respondents	Percentage
Outstanding	100	32
Excellent	100	46
Good	100	20
Average	100	2
Poor	100	0

From the above table we can infer that the percentage of respondents who rate the knowledge of the sales person as Outstanding are 32%, Excellent are 46%, Good are 20%, Average are 2%, and Poor are 0%.

### Appearance of the salesperson

Appearance	No of Respondents	Percentage
Outstanding	100	56
Excellent	100	12
Good	100	22
Average	100	10
Poor	100	0

From the above table we can infer that the percentage of respondents who rate the Appearance of the sales person as Outstanding are 56%, Excellent are 12%, Good are 22%, Average are 10%, and Poor are 0%.

### Salesperson's Attention

Attention	No of Respondents	Percentage
Outstanding	100	6
Excellent	100	20
Good	100	58
Average	100	16
Poor	100	0

From the above table we can infer that the percentage of respondents who rate the sales person's attention focused on the customers as Outstanding are 6%, Excellent are 20%, Good are 58%, Average are 16%, and Poor are 0%.

### Showroom Personnel

Personnel	No of Respondents	Percentage
Outstanding	100	50
Excellent	100	42
Good	100	8
Average	100	0
Poor	100	0

From the above table we can infer that the percentage of respondents who rate the Show Room Personnel being friendly and Courteous as Outstanding are 50%, Excellent are 42%, Good are 8%, Average is 0%, and Poor are 0%.

### Efforts Put in Understanding Customers' Needs

Effort	No. of Respondents	Percentage
Outstanding	100	4
Excellent	100	52
Good	100	34
Average	100	10
Poor	100	0

From the above table we can infer that the percentage of respondents who rate the sales person on the effort of understanding customers needs as Outstanding are 4%, Excellent are 52%, Good are 34%, Average are 10%, and Poor are 0%.

### Hassle-Free Paper Work

Paperwork	No of Respondents	Percentage
Outstanding	100	32
Excellent	100	44
Good	100	20
Average	100	4
Poor	100	0

From the above table we can infer that the percentage of respondents who rate the Hassle-Free Paper Work as Outstanding are 32%, Excellent are 44%, Good are 20%, Average are 4%, and Poor are 0%. **Ability to deliver**

### Vehicle at Promised Time

Delivery	No of Respondents	Percentage
Outstanding	100	66
Excellent	100	24
Good	100	6
Average	100	4
Poor	100	0

From the above table we can infer that the percentage of respondents who rate the Ability to deliver Vehicle at Promised time as Outstanding are 66%, Excellent are 24%, Good are 6%, Average are 4% and Poor are 0%.

#### Being friendly and courteous

Friendly	No of Respondents	Percentage
Yes	100	100
No	100	0

The graph vividly depicts that the percentage of respondents who agreed that Sales Persons were Friendly was 100%.

#### GENERAL FINDINGS

- It has been found that both the company and the customers feel that they position themselves in a satisfactory place with regards to the price paid.
- It has been found, from company's point of view, that it feels all the promises made by them during the purchase process are fulfilled to the full extent i.e. up to 100%, whereas 30% customers in aggregate feels promises are fulfilled either partially or very little.
- Company's view about the sales persons being concern for the customers budget is 80% Yes to full extent and remaining is partially, whereas the customers rate 68% to full extent and remaining to partially or very little.
- It has been found that the ratings given to the ambience of the show room is 30% outstanding by both company and the customers the remaining have informed as excellent or good.
- Both from company and customers point of view the availability of product information to customers is excellent, only 20% of management and customers feel it is outstanding. Sales person being friendly, polite and courteous, hence the 70% of sales executives feel that they are friendly, whereas customers of up to 50% feel they are outstanding and remaining feel they are excellent, good, or average. Both company and customers feel that appearance of sales person is outstanding up to 50% and remaining feel they are excellent or good.
- It has been found that up to 70% of the sales executives feel that they have ability to understand the customer's needs, whereas only 40% say that they are outstanding remaining are on the side of excellent, good or average.
- From company's point of view up to 60% hassle-free paper work is done in outstanding range, whereas only 32% of customers feel they are outstanding and 40% feel they are excellent. Maximum of 66% of management and customers feel that they deliver the vehicle at promised time in the range of outstanding level.

#### FINDINGS FROM THE HYPOTHESIS ANALYSIS

- Majority of the respondents have accepted that the present system of offering services by Mandovi Motors is not only just satisfactory but outstanding.
- Majority of the customers have agreed that Mandovi Motors offers high range of options to its customers with regards to colors, models etc.
- Some percentage of the customers are satisfied with regards to price paid relative to their expectations, and few feel they are delighted.
- Most of the customers feel that the showroom personnel are quite friendly and courteous.
- Some of the customers rate the documentation work done as excellent and few rate as delighted.
- Majority of the customers feel that the customers are not explained about the features and other advantages of the product.

#### RECOMMENDATIONS

The service marketing plan should be drawn up, bearing in mind the gaps that can arise and the effect of these gaps on the decision making process of the customer. In this case, the target customers are identified and the factors that pertain to the 7Ps, with respect to the company have been pin-pointed. The company has to analyze its strengths that include efficient staff, good practices in place, etc., the service plan should be such that it highlights the strengths and downplays the weaknesses in order to exploit the opportunities and minimize the threats that loom ahead, like local service providers. This has to be holistically analyzed with respect to the larger environment in which it is operating, so that it can use the political, economic, technical and social laws that are in existence, to its advantage, and attract the customers by serving them in a way that is attractive to them. The service marketing plan that is in existence can be utilized after incorporating slight changes. These changes are not baseless recommendations, but arise out of analyzing the customer feedback. The customer feedback says as follows,

1. Company must take care of the promises and commitments made to its customers during the time of purchase, Promise which cannot be fulfilled should not be done just to Convince the customers, as it may lead to the dissatisfaction after the purchase.
2. Sales persons must be concern for the customers budget and also set them free during their decision making process. Sales persons must be made aware of the product in the market so that they will have more ability to answer the queries of the customers or provide information even they have asked for the information.
3. Owner's manual should be explained to its customers in detail and also customers feel delighted when service / maintenance is scheduled for the customers, it would be better if they can remind their customers about the service scheduled for their customers as the People will be busy.
4. Mandovi has to set up few more service station its customers as there are very few Mandovi work stations people feel that it would be better if they are accessible. Due to this customers may approach Local dealers or Mechanics for the service.
5. A thorough check has to be done on the condition of the vehicle before delivering because customers may feel dissatisfied even if a small scratch is found on their vehicle.

A concept of awarding bonus points to customers who regularly get their vehicles serviced in the company's center would act as an encouraging factor for repeat service customers. It could also be awarded to the best maintained vehicle that turns up for service. These points could be used to claim a discount in the service cost or could be cashed against some car accessories. This could be another value added service that would not compromise on costs. This would be an excellent way of locking-in customers and making it highly unattractive for them to switch loyalties. This could be made more effective by linking the bonus points to future services.

Another such promotional activity in the form of contest for the best maintained vehicle could be conducted. Actually, it would not hurt to take a few pointers from the local service centers and mechanics. So, this contest could be thrown open to include Maruti vehicles maintained by the other service providers too. Yet another course of action available is to conduct service carnivals and put up demonstrations for "auto-care". These would ensure visibility and would act as reminders to customers that the company cares about the vehicle's health.

The success of any service organization depends solely on the persons who give a physical form to the service rendered. Thus, to ensure that this marketing plan becomes successful, the employees need to get proper and requisite training. Also, their communication strategy that conveys the highlights of this plan needs to be such that it is capable of creating the kind of perception it is meant to create among the customers. As it is believed, a good communication strategy can open doors; a good promotional campaign can open minds; and efficient delivery can open relationships.

Though these may look trivial from buyers point of view they are important and they may damage the overall reputation and image of the company. Hence it is strongly suggested that a detailed survey may be conducted to find out all such minor issues that lead to customer dissatisfaction and based on the survey and feedback suitable corrective actions (which may not cost much) may be taken without delay.

## CONCLUSION

This research enriched not only the theoretical knowledge about the knowledge about the real life market situation and gave an excellent opportunity to apply the various concepts of service marketing in general and **Service Gap Model** in specific. This research study brought out various issues that might crop up during the first sales and offering services subsequently to the customers, which are very important for the success of the overall performance of the firm. Though it may look trivial, if accumulated and not handled prudently, they may damage the company's reputation and thereby distort company's market position severely.

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