

A Study on Gap Analysis in Service Quality Expectations among Gen Y Customers with special reference to B Schools in the Coimbatore District

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Abstract

Service firms like other organizations are realizing the significance of customer-centered philosophies and are turning to quality management approaches to help managing their businesses. This paper has started with the concept of service quality and has demonstrated the model of service quality gaps. SERVQUAL as an effective approach has been studied and its role in the analysis of the difference between customer expectations and perceptions. In this paper the servqual instrument has been used to check the quality of service provided by Educational Institution towards the students. In this thesis we are doing the research on the service quality expectations among GEN Y customers across various B schools in and around Coimbatore. Here we have analyzed the expectations of students who are right now pursuing their course and what type of service they received from their institution. The study was performed by distributing the questionnaire and collecting the responses of students from various b schools in and around Coimbatore. At the end, we came out of our own understandings that most of the student's expectations are really high while compare to service what the institution provide them , apart from this the students are partially satisfied with their b school service practices and few grey areas were overcome through this study.

Introduction

The current university generation, also known as Generation Y, Echo Boomers or Millennium Generation, are forcing business schools to rethink their strategies. The university marketing approaches that were accepted by their parents are being rejected by this generation. It is hypothesized

that behind the shift in Gen Y thinking lies a shift in values on the part of Gen Y consumers (Neuborne & Kerwin, 1999). Having grown up in an even more media-saturated, brand-conscious world than their parents, they respond to university business programs differently. The Department of Health and Human Services defines Generation Y as being born

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on or after 1980. The question is what captures Generation Y's attention in terms of the quality of a business school? In essence, that is the crux of this study.

The changing environment in higher education has required universities to employ aggressive marketing strategies. Declining government funding, changing demographics, and increased competition have led business schools to market their programs like any other service marketing, where the quality of the service is judged by current Generation Y consumers. Many universities, private and public, have developed aggressive marketing campaigns to attract Generation Y students and maintain enrollments to remain competitive (Berger & Wallingford, 1996). Business schools compete for students like any other industry, and most see the students as their customers and education as the product.

Review of Literature

Although there has been extensive research on satisfaction, only a small proportion of it focuses on services such as education. Compared to the work done in the choice phase of the decision making process, the research on post-choice satisfaction in international education is also limited.

Moreover, very limited studies exist in the area of post-choice decision-making process of international students in Australia and particularly at postgraduate level. Burke (1986) reported on the experiences of undergraduates at the University of NSW, DETYA (1992, 1994) on the first experiences of undergraduate students, Hausler et al (1995) on

the experiences of overseas students studying at a Victorian university, AEIF (1997) on the level of satisfaction with a number of factors such as institutional arrangements and campus facilities, and The University of Waikato (1997) on service quality and academic performance. Similar studies were done by Halstead et al (1994) on the alumni satisfaction with college education, Tomovick et al (1996) on the influence of service quality perceptions of international students in US business schools and Kwan (1999) on student ratings of university teachings in relation to course characteristics. All these studies were related to undergraduate students.

According to Parasuraman, Zeithaml, and Berry (1985), measuring the quality of intangible services is not an easy task because of three well-documented characteristics: intangibility, heterogeneity, and inseparability. They explained that most services are intangible because they cannot be inventoried and verified for quality before a sale is made. Boulding, Kalra, Staeline, and Zeithaml (1993) found a strong link between service quality and behavioral intentions of university students, including saying positive things about their school, future financial contributions, and referring prospective graduate students for employers to recruit.

Research in service quality has been concentrated in many industries, such as hospitality (Bare & Turkel, 2003; Saleh & Rayan, 1992), travel and tourism (Augustyn & Ho, 98), automotive (Allen & Liu, 1995), banking (Minjoon & Shaohan, 2001), university libraries (Nitecki & Herson, 2000; White & Abels, 1995), hospitals and medical care (Brown, 2001;

Sheppard, 2002) and airlines (Cunningham, Young, & Moonkyu, 2002). Individual companies such as Northwest Airlines, AT&T, and Toyota have monitored the impact of service quality on selected behavioral intentions of their customers (Zeithaml, Berry, & Parasuraman, 1996). The service quality model conceptualized by Parasuraman et al. (1985), also known as the PZB model or the SERVQUAL instrument, has provided the framework by which extensive research has been done in many service industries. However, not enough research has been done in modeling service quality in the educational organization specifically for MBA programs.

Objectives

The objective of the study is two fold:

1. To identify if there is any differences in mean scores of service quality expectation and delivered service quality of Gen Y customers.
2. To study if the perceptions are homogenous among the Gen Y students with respect to their demographic profile

Research Methodology

The Data was collected from Generation Y Customers. Census sampling method was adopted for the study and 114 responses were received. All the responses were found to be complete in all respects and hence used for analysis.

A structured Questionnaire was developed for the study based on an in depth literature review. The questionnaire items were taken from SERVQUAL questionnaires from various studies. It covered 5 dimensions namely Tangibility, Reliability, Responsiveness, Assurance and Empathy

comprising of 37 questions. It was tested for reliability using Cronbach's alpha & Guttman Split half method.

The second part of questionnaire had the personal detail of respondent like age, gender, under graduation, mode of entrance (TANCET /MAT) and years of work experience. For the data collection personal interview method was used, the researcher met the respondents, briefed them about the study and built a good rapport, with the respondents. They were ensured that the data will be kept confidential and purely used for research purpose only.

Hypothesis

1. H_0 : "No significant difference exists between Service Quality Expectations and Delivered Service Quality of Gen Y Customers with respect to the SERVQUAL Dimensions"
2. H_0 : "The perception of Gen Y customers on SERVQUAL Dimensions across their demographic Profiles would remain homogenous"

Analysis and Interpretation

In Order to test the hypothesis statistical tools like t test and One Way ANOVA were used. To test the difference between service quality expectation and delivered service quality a paired t test was used. the results of the analysis are discussed below.

Table 1 shows the result of the t test for difference between mean scores of expected service quality and delivered service quality, the arithmetic mean and the standard deviation of the expected service and the delivered service, the t value and the

significance. It is evident from the results that the mean scores for the delivered service quality were ranging between 3 and 3.9 on the five parameters. For the expected service quality level the mean values ranged between 4 and 4.4. The t test results are highly statistically significant. Therefore the null hypothesis is not accepted and the alternative hypothesis that there is significant difference between the service quality expected and delivered service quality.

Testing difference between mean scores of SERVQUAL expectations of Gen Y Students and the delivering SERVQUAL level of students who studying in Top B schools

Z-test was applied to test if significant difference exists between the service quality expectation of Gen Y students and the delivering service quality of students who are pursuing in Top B schools. The Hypotheses to be tested were

H0 : No significant difference exists between the respondents from Servqual expectations and the delivering Servqual with respect to five dimensions. They are

- a) Tangibility - Physical facilities, equipment and appearance of personnel.
- b) Reliability - Ability to perform the promised service dependably and accurately
- c) Responsiveness - Willingness to help customers and provide prompt service.
- d) Assurance - (including competence, courtesy, credibility and security). Knowledge and courtesy of employees and their ability to inspire trust and confidence.
- e) Empathy - (including access, communication, understanding the customer). Caring and individualized attention that the firm provides to its customers

The results of the z-test are depicted in the below table

Table 1
Results of t test and the means scores of the students perception for current and expected service quality

S.No	Factors	Delivered		Expected		tValue	Significance
		Mean	SD	Mean	SD		
1	Tangibility	3.8651	0.4908	4.4178	0.3620	-12.499	.000
2	Reliability	3.4687	0.6322	4.2832	0.6155	-13.161	.000
3	Responsiveness	3.8596	0.5877	4.3147	0.4855	-8.143	.000
4	Assurance	3.0936	0.8582	4.0614	0.8160	-10.150	.000
5	Empathy	3.7018	0.6816	4.2140	0.6135	-7.947	.000

The critical value of Z is less than 1.96 and the p value is greater than 0.05. The 't' critical value in the above table shows statistical insignificance between the scores of in servqual expectations and the delivering servqual level. The results of the testing of hypotheses are

- a) The Z test depicts that the **Tangibility** scores of respondents from the students various top B schools are statistically insignificant. Hence, the null hypotheses that there is no significant difference in the perception of students of is accepted at 5% level of significance.
- b) The Z test depicts that the **Reliability** scores of respondents from the students various top B schools are statistically insignificant. Hence, the null hypotheses that there is no significant difference in the perception of students of is accepted at 5% level of significance.
- c) The Z test depicts that the **Responsiveness** scores of respondents from the students various top B schools are statistically insignificant. Hence, the null hypotheses that there is no significant difference in the perception of students of is accepted at 5% level of significance.
- d) The Z test depicts that the **Assurance** scores of respondents from the students various top B schools are statistically insignificant. Hence, the null hypotheses that there is no significant difference in the perception of students of is accepted at 5% level of significance.

- e) The Z test depicts that the **Empathy** scores of respondents from the students various top B schools are statistically insignificant. Hence, the null hypotheses that there is no significant difference in the perception of students of is accepted at 5% level of significance.

Hence it can be concluded that there is no difference in the perception, between the respondents belonging various top b schools at 5% significance level with respect to all dimensions, and that there is difference in the perception, between the respondents in various dimensions.

Henceforth all the 114 respondents can be considered as a single entity for analysis. And there is no need for segregating analysis between students.

Having understood that the differences exist between the delivered and expected service quality, our next objective was to test if there is homogeneity in the perceptions of students on the basis of their demographic variables. The variables that were taken into consideration were Age, Gender of the Gen Y customer, the undergraduate course (categorized as Professional, Arts and Science), the mode of joining the B schools (Entrance – TANCET / MAT), and number of years of work experience before joining the MBA program. One way ANOVA was used to test if the groups vary in their perceptions. Table 2 shows the results of the ANOVA F values and the significance levels for the five demographic variables and the five SERVQUAL dimensions studied.

The Hypotheses to be tested were

H0: 1.

The Gen y customers of various age groups would remain homogenous in their perception of service quality derived with respect to the five service quality dimensions.

H0: 2.

The Gen Y customer with work experience and without work experience would remain homogenous in their perception of service quality derived with respect to the five service quality dimensions

H0:3.

The Gen Y customer with UG background and would remain homogenous in their perception of service quality derived with respect to the five service quality dimensions

H0:4.

The Gen Y customer across gender would remain homogenous in their perception of service quality derived with respect to the five service quality dimensions

H0: 5.

The Gen Y customer who have joined through TANCET / MAT would remain homogenous in their perception of service quality derived with respect to the five service quality dimensions

Table 2

One Way ANOVA Matrix showing the F Ratio for the SERVQUAL Expectations across the various Demographic variables

Factors	Age	Work Experience	H0:Accepted Rejected
Tangibility	1.555(0.179)	6.271(0.14)	Accepted
Reliability	0.855(0.514)	0.001(0.981)	Accepted
Responsiveness	0.865(0.507)	0.425(0.516)	Accepted
Assurance	2.282(0.051)	0.002(0.961)	Accepted
Empathy	1.668(0.148)	0.640(0.425)	Accepted

(Values given in brackets are the significance values for the F ratio)

Age

The F ratio for service quality expectation and current expectation level across age groups is statistically significant. The null hypothesis is not accepted since the significance value of all dimensions in the above table is greater than 0.05 and the alternative hypothesis implies that **there is difference exists** in the perception of students in expected and delivering servqual level. **Expected and Delivering SERVQUAL** across age groups is accepted at 5% level of significance.

Work experience

The F ratio for service quality expectation and current expectation level across the students with work experience is statistically significant. The null hypothesis is not accepted since the significance value of dimensions namely tangibility, Reliability, Responsiveness, Assurance in the above table is greater than 0.05, where as in the dimension Empathy the significant value is less than 0.05 which implies that there is no difference exists in the perception of students , and the alternative

hypothesis implies that **there is difference exists** in the perception of students in expected and delivering servqual level. **Expected and Delivering SERVQUAL** across age groups is accepted at 5% level of significance.

The results of ANOVA for perceptions of servqual expectation practices across show very high statistical significance. The null hypothesis, that the respondent's perception of across age groups would remain homogenous at 5% level of significance is not accepted

Factors	UG Background	Mode of Joining	Gender	H0 Accepted Rejected
Tangibility	7.616 (0.001)	10.419 (0.002)	5.491 (0.021)	Rejected
Reliability	4.542 (0.013)	4.330 (0.040)	7.265 (0.008)	Rejected
Responsiveness	3.035 (0.042)	4.015 (0.048)	11.141 (0.001)	Rejected
Assurance	11.116 (0.000)	3.080 (0.082)	9.126 (0.003)	Rejected
Empathy	4.599 (0.012)	1.851 (0.016)	10.413 (0.002)	Rejected

UG Background

The F ratio for service quality expectation and current expectation level across the students from different UG Background is statistically significant. The null hypothesis is accepted since the significance value of dimensions namely Tangibility, Reliability, Responsiveness, Assurance and Empathy in the above table is less than 0.05, which implies that there is no difference exists in the perception of students, and the alternative hypothesis implies that **there is difference exists** in the perception of students in expected and delivering servqual level. **Expected and Delivering SERVQUAL** across age groups is accepted at 5% level of significance.

Mode of Joining

The F ratio for service quality expectation and current expectation level across the students who have joined through different Mode of Entrance (TANCET/MAT) is statistically significant. The null hypothesis is accepted since the significance value of dimensions namely Tangibility, Reliability, Responsiveness, Assurance and Empathy in the above table is less than 0.05, which implies that there is no difference exists in the perception of students, and the alternative hypothesis implies that **there is difference exists** in the perception of students in expected and delivering servqual level. **Expected and Delivering SERVQUAL** across age groups is accepted at 5% level of significance.

Gender

The F ratio for service quality expectation and current expectation level across the student is statistically significant. The null hypothesis is accepted since the significance value of dimensions namely Tangibility, Reliability, Responsiveness, Assurance and Empathy in the above table is less than 0.05, which implies that there is no difference exists in the perception of students, and the alternative hypothesis implies that **there is difference exists** in the perception of students in expected and delivering servqual level. **Expected and Delivering SERVQUAL** across age groups is accepted at 5% level of significance.

The F Ratio for the scores of respondents across Gen Y group on all the SERVQUAL dimensions is statistically insignificant. The null hypothesis that

the Gen Y customers perception on service quality expectations across the age group would **remain homogenous** is accepted. Similarly the F Ratio for the Work Experience on all SERVQUAL Dimensions is statistically insignificant except for the Tangibility. The null hypothesis that the expectations of GEN Y customers across various levels of work experience is accepted.

The F Ratio for the UG background, Mode of Joining and Gender show high statistical significance. The Null hypothesis is not accepted and the alternative hypothesis that there is no homogeneity in perception of service quality expectations across various levels the three demographic variables is accepted.

Conclusion

The results of the study reveal that there exists a gap between in the service quality expected and service quality delivered in B schools among Gen Y Customers. Expectations are found to be higher in the minds of the students. The level of satisfaction of the customer therefore is likely to below if the service delivered is lower than their expectations. This issue can be addressed by being transparent in the service delivered to the Gen Y customers, by reducing the hype created as to services offered. Another alternative could be counseling the customers about reducing their level of expectation. In case the delivered service quality is found to be very low, improvements can be made in the services delivered wherever possible.

Further it is found that the reasons for differences in the perception of the customers is contributed by the UG Background , that is the Gen Y Customers who are professionals, customers from commerce stream and science stream differ amongst themselves. Expectations of Customers are also found to vary with respect to their gender and entrance mode (TANCET or MAT).It can be also argued that these differences among the Gen Y customers could be attributed to the existence of the Gap in their service quality expected and delivered. These actions have strategic importance to any school that needs the flow of qualified prospective students and high enrollment numbers while maintaining the quality of education within the guidelines of its accrediting organizations.

In this paper, service quality and its model of gaps were reviewed, SERVQUAL methodology as an analytical for evaluating the difference between customers' expectations and perceptions of quality was also studied.

While this research provides some perspectives to the field of service quality, it is believed that there are a number of things that should be done to confirm the demonstrated methodologies as well as to expand the use of SERVQUAL in design and improvement of quality services.

Just as the SERVQUAL instrument is extensively used to assess external service quality, the instrument can also be modified to assess the quality of the internal service provided by departments and divisions within a company to employees in other

departments and divisions. The results of the current study illustrate that organizations can at least assess five dimensions of service quality to ascertain the level of services provided, and to determine which dimensions need improvement.

In order to improve service quality, it is necessary to contract employees regularly and assess their service experiences. Like the external customer, an internal customer too considers categories of service attributes, such as reliability and responsiveness, in judging the quality of the internal service. With the knowledge of the internal service quality dimensions, the service organizations can then judge how well the organization or employees performed on each dimension and managers could identify the weakness in order to make improvements.

In conclusions, knowing how customers perceive the service quality and being able to measure service quality can benefit industry professionals in quantitative and qualitative ways. The measurement of service quality can provide specific data that can be used in quality management; hence, service organizations would be able to monitor and maintain quality service. Assessing service quality and better understanding how various dimensions affect overall service quality would enable organizations to efficiently design the service delivery process. By identifying strengths and weakness pertaining to the dimensions of service quality organizations can better allocate resources to provide better service and ultimately better service to external customers.

Generally speaking, the study of service quality is both important and challenging. Future efforts should continue to advance the understanding of the concept and the means to measure and improve service quality.

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