Impact of Service Quality Dimensions Towards Customer Satisfaction In Indian Call Centers

Sumit Agarwal*
Dr. Deepak Singh**
Prof. K S Thakur***

*Research Scholar, School of Studies in Management, Jiwaji University, Gwalior (M.P.)

**Faculty Member, School of Studies in Management, Jiwaji University, Gwalior (M.P.)

***Dean, Faculty of Commerce, Institute of Commerce & Management, Jiwaji University, Gwalior (M.P.)

Abstract

Customers are the important stakeholders in an organization and their satisfaction is most important for any organization. Customer satisfaction has been a subject of great interest to organizations and researchers. Customers are becoming most important in today's business. In today's environment companies need to obliged customers by providing more services in addition to what they are providing as offerings. The objective of any organization is to maximize its profit and minimize cost. Profit can be maximizing by increasing sales. One of the important factors that help to increase sales is customer satisfaction. Now the question arise what are the various services organizations are offering to the customers? Are the customers satisfied with these services? What are the various dimensions of services? What is the impact of these service dimensions on customer satisfaction?

Most of the researchers think that service quality is related to customer satisfaction. They used service quality dimensions to evaluate service quality. The aim of the paper is to find out the relationship between customer satisfaction & service quality in Indian call centers with respect to the service quality dimensions.

Keywords: Call Centers, Services, Service Quality, Customer Satisfaction, Offerings

Introduction

Service industries are playing an important role in the economy of many nations. In India more than 50% of Indian GDP comes from services. In today's competitive environment, rendering quality service is a key for the success of any organization. Service Quality is very well linked with increased profitability, customer satisfaction and also work as a tool for providing competitive advantages. It is also linked with repeat sales, word of mouth feedback and overall maximization of profit. Betterment of services all result in increase in market share, cost reduction, increase in profit and ROI.

Indian Call Center companies are the major channels of communication with the customers and are providing a large number of services to their customers. Indian Call Centers are trying to
satisfying customers by reducing the overall cost of transaction and improving the quality of interaction with customers. But it's become difficult for a call centers to make a balance between quality and efficiency while trying to achieve companies objectives.

What are Call Centers

According to “the Call Center Association, 1999 call centers are physical or virtual operation within an organization in which a managed group of people spend most of their time doing business by telephone, usually working in a computer–automated “environment”.

Call center sector has emerged globally in the last 5 to 10 years around the globe. It serves large number of customers and wide varieties of services from very simple to complex. Call Centers are used to provide various services which include customer support services, technical support services, sales and telemarketing services, administrative support services, customer relationship management, finance and accounting services, human resource management etc.

Now a day's Call centers are the major channels of communication with the customers. Today's, call center industry is one of the most rapidly growing industries in the world. Call centers are providing a mix of services like customer support, technical support, sales and telemarketing, administrative support, customer relationship management, financial services, human resource management etc.

In India, call center Industry is a huge industry employing more than 330,000 people and is worth about £3.2 billion a year and growing at a very fast rate of around 25% per annum. Today, more than 500 companies of UK, USA and other developed countries are outsourcing their call center activities to India.

Indian Call Center companies are trying to satisfying customers by reducing the overall cost of transaction and improving the quality of interaction with customers. But it's become difficult for a call centers to make a balance between quality and efficiency while trying to achieve companies objectives.

The domain of this study is to examine the impact of service dimensions on service quality and customer satisfaction in Indian call centers and to find out important dimensions of services having greater influence on service quality and customer satisfaction.

The Research Questions of The Study

The research questions of the study were as follows:

Q1. What is the impact of tangibility dimension on service quality and customer satisfaction in Indian call centers?

Q2. What is the impact of assurance dimension on service quality and customer satisfaction in Indian call centers?

Q3. What is the impact of reliability dimension on service quality and customer satisfaction in Indian call centers?

Q4. What is the impact of responsiveness dimension on service quality and customer satisfaction in Indian call centers?

Q5. What is the impact of empathy dimension on service quality and customer satisfaction in Indian call centers?

Q6. Identification of major dimensions of services that help in enhancing the quality of delivery and also help in developing strategies to exceed customer expectation.

The study was done to analyze the impact of various service dimensions on service quality and customer satisfaction in Indian call centers.

Literature Review

India is witnessing huge growth in Information Technology sector and telecommunication industry and Indian Call Center Industry is also seen a rapid growth during the last decade. There are ample opportunities in this sector but the question arises how to satisfy customers while lowering down the total cost.

The initial search yielded 100 publications, whose abstracts were reviewed for inclusion in the literature review. Later on a total of 50 articles and book chapters were retained for full analysis. In these studies, the subject of review was to find out:

- To identify the service dimensions that enhances the quality of delivery and has impact on customer satisfaction.
- To analyze the impact of various service dimensions on customer satisfaction.
- To identify the important service dimensions that enhances the service quality and customer satisfaction.

This section aims at presenting literatures relevant to this study and also to provide a theoretical framework. The section begins with a review of various definitions followed by impact of various dimensions of services on service quality and customer satisfaction which lead to the conceptual framework of study.

Service Quality

Service quality is a comparison of expectation and performance. Service quality is an assessment of how well you delivered service conformed to customer expectation. Organizations assess the service quality in order to improve their services, to easily identify problems and to provide
better customer satisfaction.

**Definition**

Kotler & Keller, 2009 define service as “any intangible act or performance that one party offers to another that does not result in the ownership of anything”. In all, service can also be defined as an intangible offer by one party to another in exchange of money for pleasure. Service quality can be defined as expectations of customers towards the service or products.

According to Parasuraman et al., 1985 service quality is the global evaluation or attitude of overall excellence of services. So service quality is the difference between customer expectation and perceptions of services delivered by the firm.

---

**DETERMINANTS OF QUALITY**

<table>
<thead>
<tr>
<th>QUALITY DETERMINANTS</th>
<th>AUTHORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer perception, customer expectation</td>
<td>Czepiel (1990)</td>
</tr>
<tr>
<td>Customer expectation, customer satisfaction and customer attitude</td>
<td>Sachdev and Verma (2004), TCRP Report 100</td>
</tr>
</tbody>
</table>

---

In service industry, definition of service quality is to focus on meeting needs and requirements of customers and how well service should be delivered to meet their expectations. (Lewis & PBBooms, 1983).

According to Gronroos, 1983 in order to deliver and maintain service quality organization must identify elements that constitute quality and whom to it serves.

**Customer Satisfaction**

Customers are the important stakeholders in an organization and their satisfaction is most important for any organization. Customer satisfaction has been a subject of great interest to organizations and researchers. Customers are becoming most important in today's business. In today’s environment companies need to obliged customers by providing more services in addition to what they are providing as offerings. The objective of any organization is to maximize its profit and minimize cost. Profit can be maximizing by increasing sales. One of the important factors that help to increase sales is customer satisfaction.

Customer satisfaction is a measure of how products and services supplied by a company meet or surplus customer expectation. In other words customer satisfaction means the degree of satisfaction provided by the goods or services of a company as measured by number of repeat customers.

**Definition**

Different researcher has defined customer satisfaction in different ways. Customer satisfaction can be defined as the difference between confirmation and disconfirmation of individual expectations.

Customer satisfaction can be presented by the given formula:

\[ \text{Customer satisfaction} = \text{customer perceived value} - \text{customer expected value} \]

Kotler, 1996 defined customer satisfaction as “the level of a person's felt state resulting from comparing a products perceived performance or outcome in violation to his/her own expectations.”
Much accepted definition of customer satisfaction was given by Oliver, 1977. According to him “Satisfaction is the consumer’s fulfillment response. It is a judgment that a product or service feature, or the product of service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment.”

According to Ingrid Feciikova A, 2004 customer satisfaction is a feeling which result from a process of evaluating what was received against the expected, the purchase decision itself and or the fulfillment of needs/wants.

Researcher from Center for the Study of Social Policy, 2007 said that customer satisfaction is based on the customer experience of both contact with the organization and personal outcomes. According to them, satisfaction can be experienced in varieties of situations and connected to both goods and services. This definition view “individual” elements as powerful force to create satisfaction.

Oliver, 1981 & Robertson, 2001 conceptualize customer satisfaction as an individual’s feelings of pleasure or disappointment resulting from comparing products perceived performance (outcome) in relation to his or her expectations.

Pairot, 2008 define customer satisfaction as company ability to fulfill together the business needs as well as the, emotional and psychological needs of its customers.

According to Hunt, 1997 customer satisfaction is an evaluation rendered that the (consumption) experience was at least as good as it was supposed to be.”

According to Engel and Blackwell, 1982 customer satisfaction is “an evaluation whether the chosen alternative is consistent with prior beliefs with respect to that alternative.”

Tse & Wilton, 1988, defined customer satisfaction as “the consumer’s response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service as perceived after its consumption”.

According to Giese & Cote, 2000, “customer satisfaction is identified by a response (cognitive or affective) that pertains to a particular focus (i.e. a purchase experience and/or the associated product) and occurs at a certain time (i.e. post-purchase, post-consumption)

According to Schiffman & Karun, 2004 Customer satisfaction is defined as “the individual's perception of the performance of the products or services in relation to his or her expectations”

Impact of Service Dimensions On Service Quality And Customer Satisfaction

One of the best measurements of service quality is the SERVQUAL model. Parasuraman et al, 1985 identify 97 attributes of services which were later on condensed into ten dimensions of services. SERVQUAL scale operationalizes quality of service by finding out the difference between customer expectations and perceptions, in relation to the 22 items that represent the five dimensions of service quality reliability, assurance, responsiveness, empathy and tangibles.

According to Kumar et al., 2009 these dimensions are important to access customer's expectations and perceptions on delivered services and have impact on service quality.

Zeithml et al, 2006 said that “service quality is a focused evaluation which reflects the customers perception about reliability, assurance, responsiveness, empathy and tangibles”. He added that out of this dimensions “reliability” has shown to be the most important dimension in service quality.

Gronroos, 1983 said that there is additional need of functional and technical components of service quality. He said that customer evaluate service quality on the basis of technical dimensions like what is delivered and functional dimensions like how, when, where is delivered.

Wilson, 2008 said that service quality is a focused evaluation which reflects the customer perception of reliability, assurance, responsiveness, empathy and tangibles while satisfaction is more inclusive and it is influenced by perceptions of service quality, product quality, price and other situational factors and personal factors.

According to SERVPERF model given by Cronin and Taylor, 1982 service quality is evaluated only by perception of service delivered. SERVPERF model assume that respondents provide their ratings by automatically comparing performance perception with performance expectations and measuring expectations directly is unnecessary.

In a Turkish study Yavas et al., 1997 confirmed that three dimensions of service quality namely, tangibles, responsiveness and empathy are more significant predictors of customer satisfaction.

According to Jamal and Anastasiadou , 2009 reliability, tangibility and empathy are more positively related to customer satisfaction.

According to Sulieman, 2011, reliability, tangibility and responsiveness have more significant positive impact on customer satisfaction while empathy was found to be have more negative impact on customer satisfaction.
Ravichandran et al., 2010 in his studies found out that responsiveness is the only dimension of service having positive impact on customer satisfaction.

**Objectives of The Study**

Not much research was done in this field, and area of research was wide open. Objectives of research work were divided into two parts, general objectives and specific objectives.

**General Objectives**

1. To analyze the impact of various service dimensions on service quality and customer satisfaction in Indian call centers.
2. To identify the important service dimensions that enhances the service quality and customer satisfaction.

**Specific Objectives**

1. To study the impact of tangibility dimension on service quality and customer satisfaction in Indian call centers.
2. To study the impact of assurance dimension on service quality and customer satisfaction in Indian call centers.
3. To study the impact of reliability dimension on service quality and customer satisfaction in Indian call centers.
4. To study the impact of responsiveness dimension on service quality and customer satisfaction in Indian call centers.
5. To study the impact of empathy dimension on service quality and customer satisfaction in Indian call centers.

**Research Hypothesis**

The relationship between impact of service dimension on quality of services and customer satisfaction in Indian call centers were examined through following hypothesis. It is noteworthy that these dimensions are interrelated and affect significantly on customer satisfaction.

1. H1: There is a strong impact of reliability on service quality and customer satisfaction.
2. H2: There is a strong impact of responsiveness on service quality and customer satisfaction.
3. H3: There is a strong impact of assurance on service quality and customer satisfaction.
4. H4: There is a strong impact of empathy on service quality and customer satisfaction.
5. H5: There is a strong impact of tangible dimension on service quality and customer satisfaction.

**Research Design**

A questionnaire survey was done to investigate the degree of importance towards various dimensions of services in measuring service quality and customer satisfaction in Indian call centers. A Total of 170 samples were collected, 70 from call centers employees and 100 samples from customers, however 20 of which were considered invalid data. The respondents were senior managers belonging to quality or operation divisions in large call centers in India, major customers, customer care executives and other related persons.

Finally, 150 samples were retained for data analysis.

Sample Size: 150
Sample Unit: Call centers employees and customers.

**Data Sources**

The study was based on primary as well as secondary data. Secondary research was conducted first to find studies on service quality of call centers in India. Primary data was collected with the help of specially designed questionnaire and interview method. The respondents included were senior managers belonging to quality or operation divisions in large call centers in India, major customers, customer care executives and other related persons.

**Secondary Sources**

Secondary data was collected from various journals of management, business magazines, various websites and other related sources.

**Primary Sources**

To collect primary data questionnaire survey was done. The respondents were senior managers belonging to quality or operation divisions in large call centers in India, major customers, customer care executives and other related persons. A Total of 170 samples were collected, 70 from call centers employees and 100 samples from customers, however 20 of which were considered invalid data. Finally, 150 samples were retained for data analysis.

**DATA ANALYSIS**

Data collected through questionnaire is analyzed and following results are found out:
Table 1 shows the mean score for five dimensions of service quality, responsiveness, reliability assurance, empathy and tangibility. The highest mean is scored by reliability (mean = 4.317949) which means customer thinks reliability as a most important dimension of service quality impacting customer satisfaction in case of Indian call centers followed by responsiveness (mean = 4.202279) and assurance (mean = 4.094017). Empathy (mean = 3.995726) is not much important dimension of service quality impacting customer satisfaction while tangibility (mean = 2.476923) is least important dimension of service quality impacting customer satisfaction in case of Indian call centers.
### Table 2: Mean Score for various attributes of Reliability dimension

<table>
<thead>
<tr>
<th>Sno.</th>
<th>Service Dimensions</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Providing service as promised</td>
<td>4.317949</td>
</tr>
<tr>
<td>2</td>
<td>Dependability in handling customers’ service problems</td>
<td>4.202279</td>
</tr>
<tr>
<td>3</td>
<td>Performing services right the first time</td>
<td>4.094017</td>
</tr>
<tr>
<td>4</td>
<td>Providing service at promised time</td>
<td>3.995726</td>
</tr>
<tr>
<td>5</td>
<td>Keeping customers informed about when services will be performed</td>
<td>2.876923</td>
</tr>
</tbody>
</table>
Table 2 shows the mean score for various attributes of reliability dimensions of service quality. Providing service as promised is the most favorable attribute (mean = 4.317949) followed by Dependability in handling customers' service problems (mean = 4.202279) and Performing services right the first time (mean = 4.094017).

Timely deliver (mean = 3.995726) does not contribute much to reliability while Keeping customers informed about when services will be performed (mean = 2.876923) is least important attribute of reliability dimension in case of Indian call centers.

Table 3: Mean Score for various attributes of Responsiveness dimension

<table>
<thead>
<tr>
<th>Sno.</th>
<th>Service Dimensions</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Prompt service to customers</td>
<td>4.102564</td>
</tr>
<tr>
<td>2</td>
<td>Willingness to help customers</td>
<td>4.254957</td>
</tr>
<tr>
<td>3</td>
<td>Readiness to respond to customers’ request</td>
<td>4.239316</td>
</tr>
</tbody>
</table>
Table 3 shows the mean score for various attributes of responsiveness dimensions of service quality. Willingness to help customers (mean = 4.264957), Readiness to respond to customers’ request (mean = 4.239316) are the most important attribute followed by Prompt service to customers (mean = 4.102564).

<table>
<thead>
<tr>
<th>Sno.</th>
<th>Service Dimensions</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employees who instill confidence in customers</td>
<td>3.90598291</td>
</tr>
<tr>
<td>2</td>
<td>Making customers feel safe in their transactions</td>
<td>4.13675214</td>
</tr>
<tr>
<td>3</td>
<td>Employees who are consistently courteous</td>
<td>3.97435897</td>
</tr>
<tr>
<td>4</td>
<td>Employees who have the knowledge to answer customer questions</td>
<td>4.35897436</td>
</tr>
</tbody>
</table>
Table 4 shows the mean score for various attributes of assurance dimensions of service quality. Employee knowledge is the most important attribute (mean = 4.35897436) followed by feeling customers’ save (mean = 4.13675214). Boosting customer Confidence (mean = 3.90598291) and courtesy (mean = 3.97435897) are not so much important attributes.

### Table 5: Mean Score for various attributes of Empathy dimension

<table>
<thead>
<tr>
<th>Sno.</th>
<th>Service Dimensions</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Giving customer individual attention</td>
<td>4.31623932</td>
</tr>
<tr>
<td>2</td>
<td>Employees who deal with customers in a caring fashion</td>
<td>3.48717949</td>
</tr>
<tr>
<td>3</td>
<td>Having the customers’ best interest at heart</td>
<td>3.98290598</td>
</tr>
<tr>
<td>4</td>
<td>Employees who understands the needs of their customers</td>
<td>4.1965812</td>
</tr>
</tbody>
</table>
Table 5 shows the mean score for various attributes of empathy dimensions of service quality. Giving customer individual attention (mean = 4.31623932) is the most important attribute followed by understanding customers need (mean = 4.1965812). Care for customers (mean = 3.48717949) and customer interest (mean = 3.98290598) are not so much important attributes.

<table>
<thead>
<tr>
<th>Sno.</th>
<th>Service Dimensions</th>
<th>Mean Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Modern equipment</td>
<td>2.75213675</td>
</tr>
<tr>
<td>2</td>
<td>Visually appealing facilities</td>
<td>2.20512821</td>
</tr>
<tr>
<td>3</td>
<td>Employees who have a neat, professional appearance</td>
<td>2.95726496</td>
</tr>
<tr>
<td>4</td>
<td>Visually appealing materials associated with the service</td>
<td>2.16239316</td>
</tr>
<tr>
<td>5</td>
<td>Convenient business hours</td>
<td>2.30769231</td>
</tr>
</tbody>
</table>
Table 6 shows the mean score for various attributes of tangible dimensions of service quality. Tangibility is not the important dimension of service quality in case of call centers as employees are in contact with customers through phones only. In case of tangibility modern equipment (mean=2.75213675) and Convenient business hours (mean=2.30769231) are the most important attribute followed by employees neat professional appearance (mean=2.95726496), Visually appealing facilities (mean=2.20512821) and Visually appealing materials associated with the service (mean=2.16239316).

**Result**

The study analyze five dimensions of service quality, responsiveness, reliability assurance, empathy and tangibility and there attributes.

The result of the study shows reliability (mean=4.317949) as a most important dimension of service quality impacting customer satisfaction followed by responsiveness (mean=4.202279) and assurance (mean=4.094017) in case of Indian call centers.

Empathy (mean=3.995726) has not much impact on service quality and customer satisfaction while tangibility (mean=2.476923) dimension has least impact on service quality and customer satisfaction in case of Indian call centers as there is very less visual involved in call centers services.

The study also analyzes the 21 attributes of five dimensions of service quality. The result shows providing services as promised (mean=4.538462), Knowledge to answer customer questions (mean=4.358974), providing customer individual attention (mean=4.316239) and convenient business hours (mean=4.407692) are most important attributes of service dimensions in case of Indian call centers followed by Dependability in handling customers’ service problems (mean=4.299145), Performing services right the first time and Willingness to help customers (mean=4.264957), Keeping customers informed about when services will be performed (mean=4.247863) and Providing service at promised time and Readiness to respond to customers' request (mean=4.239316).

Visually appealing materials associated with the service (mean=2.16239316), Visually appealing facilities (mean=2.20512821), Modern equipment (mean=2.75213675), Keeping customers informed about when services will be performed (Mean=2.876923), Employees who have a neat, professional appearance (mean=2.95726496) are some of the least important attributes of service dimensions having very less impact on service quality and customer satisfaction.

**Conclusion**

The main aim of the study was to examine the impact of various service dimensions on service quality and customer satisfaction in Indian call centers and to find out important dimensions of services having greater influence on service quality and customer satisfaction.

The present study identifies five dimensions of services namely, reliability, responsiveness, empathy, assurance and tangibility and their impact on service quality and customer satisfaction in Indian call centers. According to this study reliability, responsiveness and assurance are the most important dimensions of services having stronger impact on service quality and customer satisfaction while empathy has less impact and tangible dimensions have very low impact in case of Indian call centers.

This study also examines the important attributes of service dimensions and their impact on service quality and customer satisfaction in Indian call centers. The result shows providing services as promised, Knowledge to answer customer questions, providing customer individual attention and convenient business hours are most important attributes of service dimensions having stronger impact on service quality and customer satisfaction.

So it is evident that reliability, responsiveness and assurance drive customer satisfaction in Indian call centers. We believe that our study will help Indian Call Centers in delivering quality service and managing customer satisfaction.

**References**


Wicks, A. M., & Roethlein, C. J. (2009). A Satisfaction-Based Definition of Quality

