

# INDIA POST: CUSTOMER PERCEPTIONS AND EXPECTATIONS USING SERVQUAL MODEL

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## **Abstract**

India post is one of the very few traditional organisations with an established culture in India which came into closer contact with the common man in the country since 18<sup>th</sup> century. To compete in the technologically driven economy, India post grafted many tech based services apart from the ritualized ones. But any service offering by a business organisation will be profitable only when it is availed by the target customers. Today customers are stepping out of their traditional role of being passive buyers and evolved as active players in the market. In spite of providing banking and other e-services at comparatively cheaper price, India post fell on hard times and has become a loss making concern. The present study is descriptive in nature and included primary and secondary data. The objectives of the study are to find the frequency of usage of various services by the customers of India post and to analyse the gap between perceptions and expectations of service quality in five dimensions using SERVQUAL model. Purposive sampling method is used to select 385 sample respondents in Kanniyakumari district and it is found that Banking and remittance is most frequently availed service and Philately is mostly not availed by the respondents. The gap score is found positive in Assurance dimension and most negative in Empathy dimension. India post should take steps create awareness about the benefits of various products and get customer feedback to compete in globalised markets

**Key words:** India post, SERVQUAL analysis, Service Quality, Customer gap analysis, Customer perceptions, Customer expectations

## **I. INTRODUCTION**

India post has the most widely distributed postal network in the world. The first post office in India was established in the year 1727 by the East India Company and from there on, the organisation has enjoyed the trust of the customers and touched the lives of common man in the country. Apart from traditional services, India post has involved in providing varied services ranging from Insurance, Banking, E-Commerce and so on. It offers comparatively cheaper services. It acts as an agent of the Government of India in discharging services under various Government schemes to the citizens of the nation (*About Us*, n.d.). Still it is seen that people moves to other service providers for similar services and India post is unable to generate revenue to meet its expenditure. As customers become active players and co-creators in the market, every organisation is working on customer delight and retention.

India post, in order to survive in the highly competitive globalised markets, need to achieve customer satisfaction which maybe possible through quality service delivery.

## **II. REVIEW OF LITERATURE**

(Thaker, 2021) studied the problems of household investors to invest in postal schemes and found that the Postal insurance is very good while mobile banking and ATM services of post offices are bad when compared with the services of other banks.

(Anand, 2019) analysed the perception of rural investors towards postal investments and found that safety and security is the important factor that influences the preference of postal schemes and savings is the factor that motivates the rural investors for postal investments.

(Ramaswamy, n.d.) analysed the level of satisfaction among postal employees and

found that the satisfaction level of employees are less in the policies and compensation of India post and more in the status of the job.

(VijayAnand & Selvaraj, 2015) found that in the post office savings bank sector, the customer expects more experienced and competent postal employees than they perceive and the service quality gap is found more in the tangibility factor.

(Kumar, 2015) in his study analysed that the financial inclusion is an initiative in India while in developed countries, credit offered by postal services are successful. In developing countries like India, Insurance services have emerging markets and the KYC norms involve more documentation.

(Kiumarsi et al., 2015) in his study, states that the service loyalty in post office customers were influenced by the service quality and innovative services as well as customer satisfaction and brand equity of the organisation

(Chatzoglou et al., 2014) measured the satisfaction of citizens using SERVQUAL model in Hellenic post and found that the customers are not very satisfied and the managers in Hellenic post believe that the service quality can be improved by providing more training to the existing employees.

(Upender Vennam & Rama Prasad MV, 2014) measured the skill gaps of the employees of India post and found that, the perception gap is more on job related knowledge among the employees and there is a need for more training to postal assistants

(Rajeswari, K. Sunmista, 2011) in her comparative study on perceptions of the customers on service quality found that the service quality perceptions reflect a positive attitude among the customers and the attitude varies with districts. Also found that the customers of Virudhunagar district are more satisfied when compared to the customers of Madurai district.

It has been understood from the relevant services that studies have been carried out mostly in banking services of India post and studies also have been made about the Employee satisfaction aspect. The present

research provided a comprehensive study of all the services offered by India post like Banking, Insurance and Retail services.

#### ***Statement of the problem:***

India post introduced various innovative schemes to compete in the technologically driven markets, It introduced various value added services as well as digital services has been awarded digital award of the Government in 2019. In spite of these innovative efforts, People shifted to other competitors of India post. It was unable to generate revenue to meet its expenses and becomes one of the continuous loss making Public sector undertaking in India (*Bad News! India Post Is Now Top Loss-Maker PSU, Pips BSNL & Air India - The Financial Express*, n.d.). In buyer-centric markets, the major constituents that determine the customer satisfaction of any organisation is its service quality, product quality and the price (Zeithaml, Valaire, A.; Bitner, Jo Mary.; Gremler, Dwayne, 2017). Thus an attempt is made in the present study to measure the gap between perceptions and expectations of customers of India post in service quality dimensions.

#### ***Objectives***

The present study has been carried out with the following objectives

- i. To examine the frequency of availing the services of India post in kanniyakumari district of Tamil Nadu.
- ii. To assess the gap between service quality perceptions and expectations of the respondents towards India post in the study area.

#### ***Scope of the study:***

The scope of the present study includes the socio-economic and demographic profile of the customers of India post in Kanniyakumari district of Tamil Nadu, India. Gap analysis has been done to know the gap between perceptions and expectations in service quality dimensions of India post. The study focuses on all the services of India post such as Banking, Insurance, Mails and so on. The study also throws lights on the frequency of usage of all the services. The geographical scope of the present study is

limited to Kanniyakumari district of Tamil Nadu, India.

### **Significance of the study:**

Every organisation need to focus on the quality of services provided in order to survive in the highly competitive and globalised markets. The service quality distinguishes one organisation from the other and plays an important role in determining the profitability. India post is continuously incurring losses. By understanding the usage of services by the customers and the gap between the perceptions and expectations leads the organisation to narrow down the gap.

### **III. RESEARCH METHODOLOGY**

#### **Source of data:**

The study is descriptive in nature and based on primary and secondary data. The Universe of the present study represents the residents of Kanniyakumari district who has availed any of the products or services of India post. As the population is unknown, purposive sampling is used to collect the primary data. Therefore the Primary data is collected using Purposive sampling from the sample respondents. Sample size is 385. The calculation to find the sample size is made using the formula  $S = \frac{Z^2 \times p \times q}{e}$  with 95 per cent confidence level and 5% error. Secondary data were collected from various journals, websites and books.

#### **Tools for analysis:**

The 22 item scale developed under five dimensions of SERVQUAL model is used to collect responses. Un-weighted as well as weighted average mean were found using SPSS software and MS-Excel to assess the gap score (P-E). Percentage analysis is also used to analyse the data. Tables and charts were presented to interpret the data.

Table 1 Demographic profile of the customers

Profile Variables	Particulars	No. of Respondents	Percentage
Gender	Female	234	61
	Male	151	39
	<b>Total</b>	<b>385</b>	<b>100</b>
Age	Less than 20	27	7
	20-30	181	47

### **Conceptual framework**

To find the customer gap in service quality perceptions and expectations, the gaps model of service quality developed by Parasuraman, A., Zeithaml V.A. and Berry, L.L. is used. According to Berry et al., (1988). Service quality is defined as “the discrepancy between customer’s perceptions of services offered by a particular firm and their expectations about firms offering such services”. The Researchers identified that the service quality perceptions of customers are multi-dimensional and thus developed 5 dimensions of service quality as Tangibles, Empathy, Assurance, Responsiveness and Reliability and a well-developed 22-item scale is used to collect responses. (Berry et al., 1988)

$$\text{Service Quality SQ} = \text{P} - \text{E}$$

P is the perceptions of service quality and E is the expectations of the customers about the service quality (Zeithaml, Valaire, A.; Bitner, Jo Mary.; Gremler, Dwayne, 2017)

#### **Limitations of the study:**

- i. The responses of the respondents were subjected to the memory bias
- ii. The study is subjected to limited geographical area and time.

### **IV. RESULTS AND DISCUSSIONS**

The results of the analysis of collected data and related discussions are presented below.

#### **SOCIO-ECONOMIC AND DEMOGRAPHIC PROFILE OF THE RESPONDENTS:**

The socio-economic and demographic parameters of the respondents are considered in this study as it influences their level of expectations and perceptions. The results were extracted through percentage analysis and exhibited in Table 1.

	31-40	39	10
	41-50	111	29
	Above 50	27	7
	<b>Total</b>	<b>385</b>	<b>100</b>
Educational Status	School Education	39	10
	College Education	189	49
	Professional Education	134	35
	Diploma Courses	23	6
	<b>Total</b>	<b>385</b>	<b>100</b>
Occupation	Private sector	146	38
	Government sector	92	24
	Student	62	16
	Self employed	39	10
	Pensioners	35	9
	Home maker	11	3
	<b>Total</b>	<b>385</b>	<b>100</b>
Marital Status	Married	135	58
	Un-married	187	42
	<b>Total</b>	<b>385</b>	<b>100</b>
Type of the Family	Nuclear	296	77
	Joint	87	23
	<b>Total</b>	<b>385</b>	<b>100</b>
Number of earning members in the family	One	112	29
	Two	235	61
	Three	27	7
	More than three	11	3
	<b>Total</b>	<b>385</b>	<b>100</b>
Monthly Income	Less than 25000	162	42
	25001-45000	100	26
	45001-65000	73	19
	65001-85000	19	5
	Above 85000	31	8
	<b>Total</b>	<b>385</b>	<b>100</b>

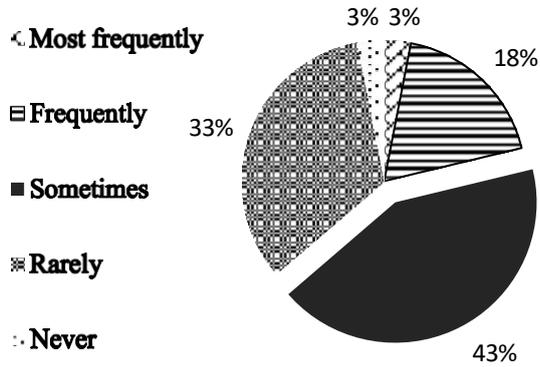
Source: Primary data

It is exhibited from Table 1 that 61 per cent of the respondents were female. 47 per cent of the respondents are between 20 to 30 years of age. 49 per cent of the respondents have college education. 38 per cent of the respondents are working in private sector. 58 per cent of the respondents are married. 77 per cent of the respondents have nuclear family. 61 percent of the respondents have two earning members in the family. 42 per cent of the respondents have monthly income less than 25000 INR. Most of the respondents were female between 20 to 30 years of age with college education, unmarried, working in private sector and living in Nuclear family with two earning members in the family and with the monthly family income less than 25000 INR.

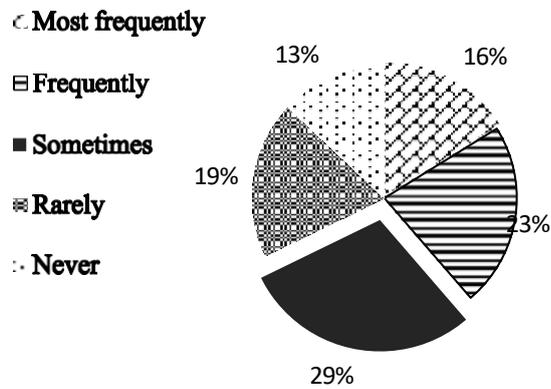
#### FREQUENCY OF USAGE OF SERVICES OF INDIA POST:

India post offers diversified services to its customers such as Mails, Banking and Remittance, Insurance, E-commerce, Business mail, Retail services and Philately. It is essential to understand the utilisation of these services by the customers. The frequency of usage of services provided by India post among the respondents were analysed using 5 point likert scale ranging from Most frequently used to never used. The responses were recorded and represented using Pie charts and given in figures.

**Fig 1  
Mails**



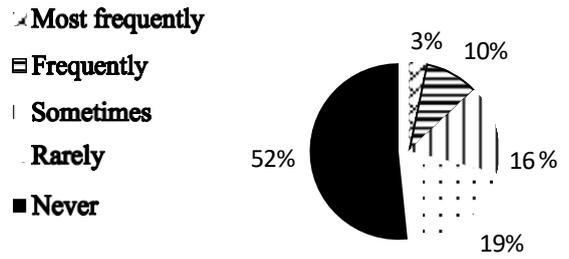
**Fig.2  
Banking and Remittance**



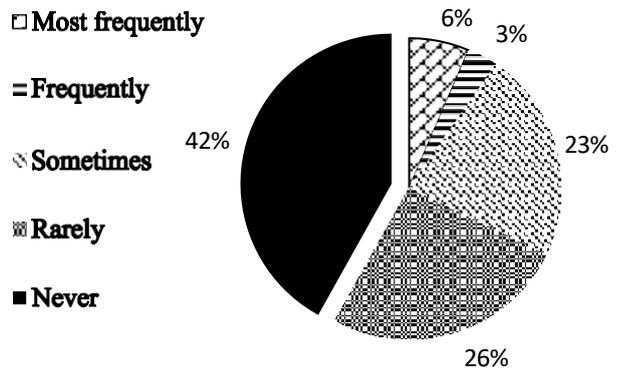
Source: Primary data.

Source: Primary data.

**Fig.3  
Insurance**

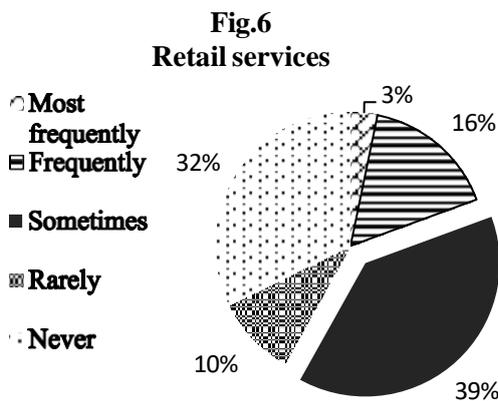
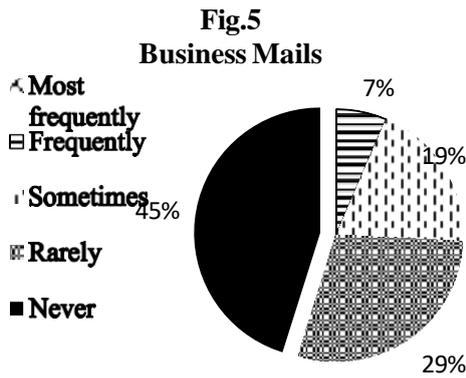


**Fig.4  
E-Commerce**

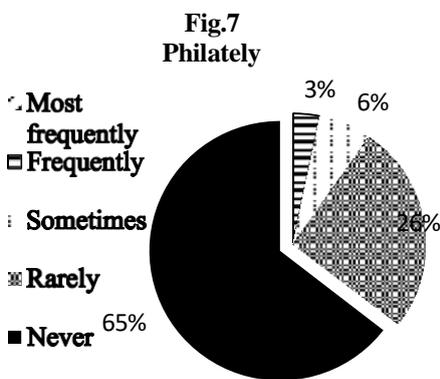


Source: Primary data.

Source: Primary data.



Source: Primary data  
Source: Primary data



Source: Primary data

Table 2

**PERCEPTIONS AND EXPECTATIONS OF RESPONDENTS TOWARDS THE SERVICES OF INDIA POST**

Fig.1 shows that 43 per cent of the respondents use mail services sometimes. Fig.2 shows that 29 per cent of the respondents use Banking and Remittance sometimes. Fig.3 shows 52 per cent of the respondents never used Insurance services. Fig.4 shows that 42 per cent of the respondents never used E-commerce services. Fig.5 shows that 45 per cent of the respondents never used business mails. Fig. 6 indicates that 39 per cent of the respondents never used retail services and Fig. 6 shows that 65 per cent of the respondents never used Philately services of India post.

**PERCEPTIONS AND EXPECTATIONS OF RESPONDENTS TOWARDS THE SERVICES OF INDIA POST:**

Every Customer has their own expectations before availing any kind of services. In the globalised markets existing today, customers shift to the service providers who are ready to provide services that exceed their expectations. It is necessary for India post to study what the customers expect and what they perceive and the gap between them in order to narrow down the gap and create more satisfied customers. The Gap scores were found using SERVQUAL model, tabulated and given below in Table no.2. The weights for each dimension is calculated by taking average of the points given by respondents out of 100 and the product of un-weighted gap score and weights is calculated to found the weighted gap score shown in Table.3

Sl. no	Service quality statements	Mean Perceptions of the respondents (P)	Mean Expectations of the respondents (E)	Gap score (P-E)
1	<b><u>Tangibles</u></b> Post office should have Modern equipment	4.45	4.71	-0.26
2	The physical facilities at India post should be visually appealing	4.06	4.85	-0.79
3	Employees should neat appearance and well-dressed	4.58	4.97	-0.39
4	Associated materials are visually appealing	5.10	5.97	-0.87
Average un-weighted gap score				-0.1425
6	<b><u>Reliability</u></b> India post should deliver services as promised, on time	4.35	5.29	-0.94
6	If Customers have problems, India post should be sympathetic and assuring	3.93	4.05	-0.12
7	India post is dependable	4.39	3.23	1.16
8	India post should do services on promised time	4.32	4.94	-0.62
Average un-weighted gap score				-0.1300
9	<b><u>Responsiveness</u></b> India post should keep accurate records	4.71	4.92	-0.21
10	India post should not be expected to tell exact time of services	4.55	4.97	-0.42
11	It is not realistic to expect prompt services from the employees of India post	3.32	2.61	0.71
12	Employees of India post don't have to be willing always to help customers	3.32	3.06	-0.26
13	Its okay if employees are too busy to respond to customer requests	3.94	4.42	-0.48
Average un-weighted gap score				-0.1320
14	<b><u>Assurance</u></b> Customers should be able to trust India post employees	4.55	4.74	-0.19
15	Customers should be able to feel safe with employees while transacting	4.77	4.97	-0.2
16	India post's employees should be polite	4.77	4.86	-0.09
17	India post should give adequate support to their employees	4.71	3.53	1.18
Average un-weighted gap score				0.7000
18	<b><u>Empathy</u></b> India post should not be expected to give attention individually	3.42	4.13	-0.71
19	Employees of India post cannot be expected to give attention personally	3.87	4.86	-0.99
20	It is unrealistic to expect from the employees to know the needs of India post's customers	3.32	5.16	-1.84
21	It is unrealistic to expect that the employees should have customer's interest at heart	3.74	6.20	-2.46
22	India post shouldn't be expected to set operating hours convenient to all customers	4.10	2.03	2.07
Average un-weighted gap score				-0.6140

Source: Primary and computed data

In Table 2, Positive gap scores indicate that the actual perception of the service quality exceeds the expectations. Negative gap scores indicate the dimensions where the expectations of the respondents were not met. It is evident from Table 2 that in the tangibility dimension, all the gap scores are negative and more gap is found in the appearance of associated materials in India post and less gap is found on the availability of modern equipment. The average un-weighted gap score is found to be -0.1425. In reliability dimension, three statements have negative gap score and the maximum negative gap is found on the promised and timely service delivery and a positive gap is found on dependability of India post. The average un-weighted gap score is -0.1300. In responsibility dimension, four dimensions are having negative score and one dimension have positive score. The most negative score is obtained on the statement that its okay if the employees of India post are too busy to respond customer requests which indicates that the customers expects that the employees shouldn't be busy to respond their requests. The average gap un-weighted gscore is -0.1320. In Assurance statements, three statements are negative. The most negative statement is that the customer's ability of feeling safety with the employees of India post. Which implies the customers expects to feel safer with employees than they actually perceive. The positive score is found in the statement that India post should give adequate support to their employees which indicates that the customer perceive that the organisation is giving more support to the employees than the customers expected India post to give. The average un-weighted gap score is 0.7000 which is positive. In empathy dimension, all the gap scores are negative and maximum gap is found in the statement that it is unrealistic to expect from employees that they should have customer's interest at heart which implies that the customers expect that the employee should keep their interests at heart, less gap is found in the statement that the organisation should not be expected to give attention individually. The average gap score of this dimension is -0.6140.

Table 3

Weighted customer gap score for five dimensions

Sl.no	Dimensions	Un-weighted Customer Gap score	Weights	Weighted Customer Gap score
1	Tangibles	-0.1425	18.20	-2.5935
2	Reliability	-0.1300	21.50	-2.7950
3	Responsiveness	-0.1320	22.85	-3.0162
4	Assurance	0.7000	20.40	14.2800
5	Empathy	-0.6140	17.05	-10.4687
	Weighted average gap score			-0.9187

Source: Primary data.

It is evident from Table 3 that Assurance dimension have a positive weighted gap score and four other dimensions have negative weighted gap scores. More gap is found in Empathy dimension and less gap is found in tangibles dimension. The weighted average gap score is -0.9187.

### SUGGESTIONS

1. Most of the respondents responded that they never used Philately, Insurance, Business mail and, E-Commerce services of India post, which stresses the importance of advertising these services and the benefits of availing it.
2. India post should encourage the employees to create a good relationship with customers.
3. More steps should be taken to understand the demands of the customers and get feedback from them while providing services.
4. India post, in recent years developed its digital accessibility. It should take necessary action to create awareness about their versatile e-services.

### CONCLUSION:

India post has a legacy in providing communication and financial services in India.

It is one of the oldest and largest postal networks in the world. Apart from traditional services, India post initiated new e-services in their digital platform and also brings innovation in traditional services like the introduction of e-post. The success of any service organisation depends on the frequency of usage by the customers. It could be found that the people avail only few services of India post. Therefore there is a need for creating awareness about various services and benefits in availing it. The overall customer gap score is negative. In order to meet the expectations of the customers in all dimensions, India post should take necessary steps to improve the customer relationship and service quality by getting feedback after service delivery. By taking these steps, India post will continue to survive and be able to regain customer loyalty which in turn leads to profitability of the organisation.

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