



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## A STUDY ON CUSTOMER SATISFACTION IN PRIVATE OPERATORS ACROSS INTERSTATE TRANSPORT

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### ABSTRACT:

Day by day private service operators are gaining their importance though Public services by Government updating with variety of services to satisfy their customers. Regional private transport operators could withstand in the market and variety of new private operators are emerging continuously. The present study throws light on knowing customer satisfaction levels and developing a model for customer choice variables leading to satisfaction. The study tries to establish relation between variables of Empathy, Value added services, Customer Choice with Customer Satisfaction. The study was carried during Aug 2019 to Oct 2019 under different districts of AP, Telangana & Karnataka. The findings of the study are, various independent variables like Value added services, Customer Convenience, Empathy, Reliability, Online, Customer comfort & Choice, Assurance, service value & Enhancers which were identified as reasons for choosing private service operators, even proved to be leading to satisfaction of Customers. It was even found that Empathy, Value added services, Customer

choice are having relation with satisfaction when studied independently Which was not so with respect to value added services.

*Key words: Customer Satisfaction, Private Service operators, APSRTC services, Customer choice dimensions.*

## INTRODUCTION

Buses are the most commonly used form of travel in India, be it within a city or intra-city. In fact, buses are sometimes the only form of transportation available to reach the remote parts of India. The effectiveness of private and public transport has been discussed for a long time in the context of sustainability. However, financial sustainability of public transport totally depends on population density. Consumers are slowly moving towards private service operators though it constitutes very less percentage of services when compared to APSRTC.

Considering Diwakar travels, Anantapuram a private transport service provider has stemmed from the need for simple travel solutions. It is a pioneer in the online bus reservation in India which utilizes the advantages of the internet to provide clients with the best in bus transportation

Services from the comforts of their homes and offices. Diwakar aims to provide their customers with a wide range of services unsurpassed by any competitor in this industry. As a company, Diwakar Travels believes in engineering win-win relationships with their partners in order to guarantee on going benefits to the customers.

Sudheer Travels is a renowned brand in the bus operating industry. Their vision is to give a new face to the bus industry. Since our inception passenger comfort was given top priority. They have frequently added luxury buses to their huge fleet of buses. The only thing focused on is that the comfort quotient of their passengers should never be compromised. They always tried their best to push their limits in order to develop travel experience. Sudheer Travels offers Live Bus Tracking, Customer Support, Comfort, Safety and other Regular Offers to satisfy their customers.

Customer satisfaction is a business term, which is used to capture the idea of measuring how, satisfied an enterprise customers are with the organizations efforts. During the past decades, customer satisfaction has emerged as a strategic imperative for most firms. In the 1980's, achieving a higher satisfaction became a goal in itself. During the 1990's, there was a widespread realization that satisfaction is a strategic goal for all organization involved in the delivery of customer service. Satisfied customers usually return and buy more, they tell people about their experiences, and they may well pay a premium for the privilege of using service product of the organization.

Since satisfaction drives behaviour, a more thorough understanding of what drives customer satisfaction will give service providers the insights they need to influence customer behaviour in the short-term and long-term. The centrality of the concept is reflected by its inclusion in the marketing concept that high customer satisfaction ratings are widely believed to be the best indicator of a company's future profit<sup>[3]</sup>. Because, satisfied customers are more willing to pay for the benefits they receive and are more likely to be tolerant of increases in price. This implies high margins and customer loyalty. Otherwise, it will lead to customer turn over, high replacement costs and high customer acquisition costs<sup>[4]</sup>. This is a means to strategic ends such as customer retention that directly affect profits.

Customer satisfaction is generally described as a judgment that a customer develops after the act of purchase of a product/service. The determinant to customer satisfaction includes product quality, product packaging, keeping delivery commitments, price and responsiveness and ability to resolve complaints and overall communication, accessibility and attitude. Most firms realize that the more competitive the market, the more important the level of customer satisfaction. In this context it is very important to provide customers with

outstanding value, i.e. quality, service and price to achieve sustained customer satisfaction and loyalty. Improving quality and customer satisfaction reduces costs associated with defective services such as warranty costs, field service, and reworking and handling or managing complaints. Word-of-mouth from satisfied customers lowers the cost of attracting new customers and enhances the firm's overall reputation, while that of dissatisfied customers are naturally has the opposite effect.

The constantly changing environment forces enterprises to identify new opportunity for claiming competitive advantages and to adapt these intense and environmental factors become more hostile; the concern for service quality grows. Quality has been considered to be one of the management's topmost competitive priorities and a prerequisite for sustenance and growth of firms. The quest for quality improvement has become a highly desired objective in today's intense competitive market.

## LITERATURE REVIEW

Boulding et al (1993) stated another perspective of customer satisfaction, which deals with the difference between transaction specific and cumulative customer satisfaction. Customer satisfaction is viewed as a post-purchase evaluative judgment of a specific purchase occasion according to transaction-specific perspective. Cumulative customer satisfaction is an overall evaluation based on the total purchase and consumption experience with goods or service over time. Cumulative satisfaction is a more fundamental indicator of the firm's past, current and future performance and its cumulative satisfaction that motivates a firm's investment in customersatisfaction.

Kotler and Armstrong (1993) stated that consumer/customer satisfaction is determined by the relationship between the customer's expectations and product's perceived performance.

Halstead, Hartman and Shmidt (1994) found that customer satisfaction is a transaction-specific affective response resulting from the customer's comparison of product performance to some pre-purchase standard.

Webbrook and Oliver (1991) described customer satisfaction is a post choice evaluative judgment concerning a specific purchase selection.

Oliver (1987) examined whether satisfaction was an emotion and concluded that satisfaction is a summary attribute phenomenon coexisting with other consumption emotions.

Tse and Wilton (1998) stated customer satisfaction as the customer's response to the evaluation of the perceived discrepancy between prior expectations (or some norm of performance) and the actual performance of the product as perceived after its consumption.

Mano and Oliver (1993) examined the three aspects of the post consumption experience- product evaluation, product elicited affect and product satisfaction. Product satisfaction is best characterized as an attitude-like post consumption evaluative judgment (Hunt, 1977) with the evaluative aspect of that judgment varying along the hedonic continuum (Oliver 1989; Westbrook and Oliver 1991)

Kumar and Oliver (1997) indicated that satisfaction was associated with customers expectations being met, feeling they got "fair" value and feeling contented.

Oliver (1987) defined customer satisfaction as an outcome of a purchase/ usage experience would appear to

be an important variable in the chain of purchase experience linking product selection with other post purchase phenomena including favorable word-of-mouth and customer loyalty.

Cadotte et al (1987) conceptualized customer satisfaction is la widely accepted as a view of the process by which customers develops feeling from an evaluation of the use experience.

Cote, Foxman and Bob (1989) suggest that satisfaction is determined at the time the evaluation occurs. In some cases, satisfaction assessment may be a naturally occurring, internal response such as after consumption, or prior to repurchase. In some case of the assessment of satisfaction may be externally driven.

## OBJECTIVES OF THE STUDY

- To explore factors & propose a model for measuring satisfaction among passengers of Private transport operators
- To identify factors influencing customers satisfaction
- To study the relation between EMPATHY and SATISFACTION, VALUE ADDED SERVICES and SATISFACTION , CUSTOMER CHOICE and SATISFACTION of consumers in private interstate travel service

## HYPOTHESIS OF THE STUDY

1. H<sub>1</sub>: There is a relation between EMPATHY and SATISFACTION of consumers in private interstate travel service
2. H<sub>2</sub>: There is a relation between VALUE ADDED SERVICES and SATISFACTION of consumers in private interstate travel service
3. H<sub>3</sub>: There is a relation between CUSTOMER CHOICE and SATISFACTION of costumers in private interstate travel service

## RESEARCH METHODOLOGY

To address the research objectives, a study was conducted in Anantapur with passengers travelling across interstates of Andhra Pradesh, Telangana, and Karnataka with a sample of 215. The decision of sample was made with the help of krejcie and Morgan's table depending on convenient confidence intervals.

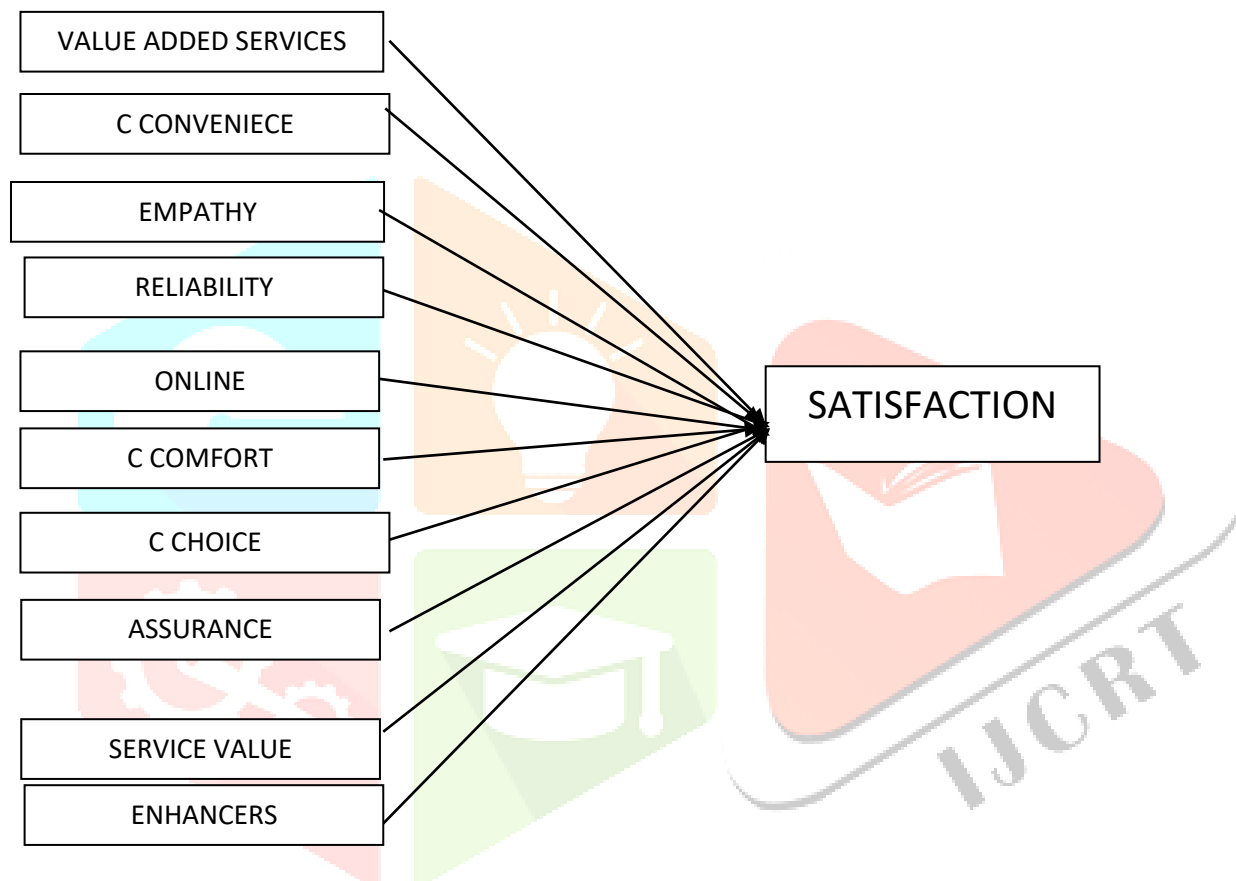
The sampling technique used for the study is Multi Stage Sampling, as sample is drawn from different groups such as employees, students, business people etc.,

Respondents were selected based on whether they use any of Private Service available in the town so that they can articulate properly what the researcher is intended to find from them. Likert scale has been very prominent in behavioral sciences and was extensively used to measure consumer attitudes even in online behavior. The Likert scale is the most widely used method of scaling in the social sciences today. A Likert scale (1-5) was used to capture the data for each item in the questionnaire.

## ANALYSIS & RESULTS

### PROPOSED MODEL FOR PRIVATE TRAVEL SERVICE

The various independent variables like Value added services, Customer Convenience, Empathy, Reliability, Online, Customer comfort & Choice, Assurance, service value & Enhancers which were identified as reasons for choosing private service operators, even proved to be leading to satisfaction of Customers, which is represented as a model below:



### MULTIPLE REGRESSION:

In this study 'satisfaction' was tested for its dependency on ten different variables using multiple regression analysis.

This study used the following Multiple Regression Model  $MVA1 = a1 + b1(VAS) + b2(CONVENIENE)+ b3(EMPATHY) + b4(SERVVALUE) + b5(RELAIBILITY) + b6(ONLINE) + b7(CUSTOMER CHOICE) + b8(ASSURANCE) + b9(COMFORT). +b9(ENHANCERS).$

It was found that model was found significant with F value at 20.71 and model was explaining 46.4%. This is to indicate that all the TEN variables together are explaining 48.5% variation in the dependent variable 'satisfaction'

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.714 <sup>a</sup>	.510	.485	.44458

a. Predictors: (Constant), ENHANCERS, SERVVALUE, ONLINE, CCMFRT, ASSRNCE, VAS, CCHOICE, RELBTY, EMPHTY, CONV

b. Dependent Variable: SATISF

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	40.937	10	4.094	20.711	.000 <sup>b</sup>
Residual	39.333	199	.198		
Total	80.269	209			

a. Dependent Variable: SATISF

b. Predictors: (Constant), ENHANCERS, SERVVALUE, ONLINE, CCMFRT, ASSRNCE, VAS, CCHOICE, RELBTY, EMPHTY, CONV

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.219	.300		4.061	.000
VAS	-.019	.047	-.026	-.396	.692
CONV	.099	.066	.109	1.492	.137
EMPHTY	.302	.056	.369	5.355	.000
SERVVALUE	.013	.046	.016	.281	.779
RELBTY	.152	.046	.215	3.320	.001
ONLINE	.029	.044	.034	.657	.512
CCHOICE	-.058	.053	-.069	-1.096	.274
ASSRNCE	.220	.049	.273	4.496	.000
CCMFRT	-.098	.049	-.114	-2.016	.045
ENHANCERS	.064	.066	.069	.9620	.337

a. Dependent Variable: SATISF

It was found that in the presence of all the independent variables, the factors like 'empathy', 'reliability' 'Assurance' and 'Customer comfort' are found significant with their p value less than 0.05.

The factors like 'value added services' 'convenience', 'customer choice' 'service value' 'Online access' are found to be insignificant when tested all together.

### **HYPOTHESES:**

H<sub>1</sub>: There is a relation between EMPATHY and SATISFACTION of consumers in private interstate travel service

#### **Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	609.490 <sup>a</sup>	160	.000
N of Valid Cases	210		

Here we identified.. $p < 0.05$ , hence reject the null hypothesis and accept the alternate hypothesis.

Therefore, it is found that 'EMPATHY' shown towards consumer is having relation with the 'SATISFACTION' of consumers in pvt interstate travel service.

H<sub>2</sub>: There is a relation between VALUE ADDED SERVICES and SATISFACTION of consumers in private interstate travel service

#### **Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1081.652 <sup>a</sup>	448	.000
N of Valid Cases	210		

a. 493 cells (100.0%) have expected count less than 5. The minimum expected count is .01.

Here we identified.. $p < 0.05$ , hence reject the null hypothesis and accept the alternate hypothesis.

Therefore, it is found that 'VALUE ADDED SERVICES' shown towards consumer is having relation with the 'SATISFACTION' of consumers in pvt interstate travel service

H<sub>3</sub>: There is a relation between CUSTOMER CHOICE and SATISFACTION of consumers in private interstate travel service

#### **Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	598.745 <sup>a</sup>	208	.000
N of Valid Cases	210		

a. 234 cells (98.3%) have expected count less than 5. The minimum expected count is .02.

Here we identified.. $p < 0.05$ , hence reject the null hypothesis and accept the alternate hypothesis.

Therefore, it is found that 'CUSTOMER CHOICE' shown towards consumer is having relation with the 'SATISFACTION' of consumers in Private interstate travel service

## DISCUSSION & CONCLUSION

It was found that in the presence of all the dependent variables, the factors like 'empathy', 'reliability' 'Assurance' and 'Customer comfort' are found significant with their p value less than 0.05, leading to satisfaction of customers of Private service operators. The factors like 'value added services' 'convenience', 'customer choice' 'service value' 'Online access' are found to be insignificant, couldn't influence much the construct of Customer Satisfaction. The value of regression analysis specifies that all independent constructs put together 48.5% customer satisfaction, left with scope for identifying other constructs that result into customer satisfaction in. Among the independent variables, value added services, service value etc., which are supposed to be central for customer satisfaction, doesn't have any influence or significant impact on satisfaction of Customers of Private Service operators, which need to be analyzed in depth for reasoning out. It was even found that Empathy, Value added services, Customer choice are having relation with satisfaction when studied independently Which was not so with respect to value added services.

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