

THE EFFECT OF PERCEIVED SERVICE QUALITY ON CUSTOMER SATISFACTION IN INDIAN RAILWAYS

AMIT SINGLA

Assistant Professor Department of Commerce and Management DAV College, Bathinda, India

ABSTRACT

Indian Railways is the state-owned railway company of India. Indian railways have undergone many changes since its first journey in 1853. It has adopted many new technologies and made many strategic moves to keep its several thousands of customers. Railway caters to the needs of the people across geographies and income strata as well as ethnic, religious and social diversities. It is also connected with centres of commerce and industry, places of pilgrimage, historical sites, and tourist attractions. Railways also reached the remote and underserved areas of the country and bringing them into the national mainstream of development.

KEYWORDS: Service Quality, Indian Railways

INTRODUCTION

Introduction to the Topic

Services are becoming major driving force behind many country's economies. Service quality is the decisive factor for any service organization to create the difference and obtain competitive advantage. Quality changes the nature of business competition and, perhaps more than any other factor. Quality is considered to be main determinant of customers satisfaction in both manufacturing and service quality. In today's dynamic world most of the service firms especially in the developing country like India are realizing the significance of customer's preference and are working towards quality management approaches to facilitate managing their businesses. Some services have been particularly important for improving performance in India. Software is one sector in which India has achieved a remarkable global brand identity. Tourism and travel-related services and transport services are also major items in India's services. Besides these, the potential and growing services include many professional services, infrastructure-related services, and financial services.

Central Statistical Organization (CSO) classification of the services sector falls under four broad categories, namely

- Trade, hotels, and restaurants;
- Transport, storage, and communication;
- Financing, insurance, real estate, and business services;
- Community, social, and personal services.

This study about the transport services specially on Indian Railways (IR). Indian Railway is intended to give true picture of how Indian Railways has established itself after more than 150 years. Indian Railways is the state-owned railway

company of India. Indian railways has undergone many changes since its first journey in 1853. It has adopted many new technologies and made many strategic moves to keep its several thousands of customers “on board”.

Indian Railway is indeed the Lifeline of the Country with its admirable performance since the last 150 years. Indian Railways has 115,000 kilometres of total track over a route of 65,000 kilometres and 7,500 stations. Indian Railways is the largest railway network in Asia and worlds largest railway system under a single management. Indian Railways employs approximately 1.5 million people, making itself the second largest commercial or utility employer in the world. IR carried over 8,900 million passengers annually or more than 24 million passengers daily (roughly half of which were suburban passengers) and 2.8 million tons of freight daily. Indian Railway is the largest network in Asia. It is not only the easiest and most economical source of transportation in the country, but also for all categories of passengers. Apart from this there is a fact that most of Indian population largely relies on railway for their journey because of the convenience of the large railway network and its low cost.

Table 1

Years	Total Track	Route	Stations	Total Employees	Passengers	Freight
150	115,000 kilometres	65,000 kilometres	7,500 stations	1.5 million	8,900 million annually	2.8 million tons daily

Railways has unique characteristic. It has large capacity, high safety level, and free from traffic jam. These characteristic makes railway as primary public transportation. Indian Railway caters to the needs of the people across geographies and income strata as well as ethnic, religious and social diversities. It is also connected with centres of commerce and industry, places of pilgrimage, historical sites, and tourist attractions. Railways also reached the remote and underserved areas of the country and bringing them into the national mainstream of development.

History of Indian Railways

The history of rail transport in India began in the mid-nineteenth century. The core of the pressure for building Railways In India came from London. Railways were first introduced to India in 1853. The first Indian passenger line steamed off from Mumbai (erstwhile Bombay) to Thane on April 16th, 1853 covering a distance of 34 kms. By 1875, about £95 million were invested by British companies in India guaranteed railways. By 1880 the network had a route mileage of about 14,500 km (9,000 mi), mostly radiating inward from the three major port cities of Bombay, Madras and Calcutta. By 1895, India had started building its own locomotives, and in 1896, sent engineers and locomotives to help build the Uganda Railways. By 1947, the year of India’s independence, there were forty-two rail systems. In 1951 the system were nationalized as one unit, becoming one of the largest networks in the world. Indian railways operates both long distance and suburb history of rail transport in India.

The proper plan for the rail system in India was first started in 1832, but no further steps were taken for more than a decade. In 1844, Lard Hardinge Governor – General of India, allowed private entrepreneurs to set up a rail system in India. Two new railway companies were created and the East India Company was asked to assist them. The first train in India became operation on 1851 and was used for the hauling of construction material in Roorkee. In 1853 the first passenger train service was inaugurated between Bombay to Thane. Covering a distance of 34 km (21 miles), it was hauled by three locomotives, Sahib, Sindh and Sultan. This was the formal birth of railways in India.

The British government encouraged new railway companies with the help of private investors under a scheme that would guarantee an annual return of five percent during the initial years of operation. By 1895, India had started building their own locomotives. Soon various independent kingdoms built their own rail systems and the network spread to the regions that became the modern states of Assam, Andhra Pradesh and Rajasthan. A railway board was constituted in 1901. For the first time in history, the railways made to begin a tidy profit. In 1907, almost all the rail companies were taken over by the government.

In the history of Indian railways the first electric rail starts its journey from Bombay to Pune in 1962. Then there was so many trains were started. Indian Railways started running of Rajdhani Express trains in 1969 and Shatabadi trains in 1988. Place on wheels came into existence in 1980. New technology was adopted by Indian Railways in 1988 when Indian railways started computerized reservation technique.

The Indian Railways is being the oldest, cheapest, connected with almost every state and territory and one of the fastest modes of transport, and as being the backbone of Indian economy, it is necessary to study this concept and understand the satisfaction level of people, their perception and loyalty towards Indian Railways. By studying this concept, it will help to understand customer's expectations regarding Indian railways and also help to know the findings and the scope of improvement

Services of Indian Railways

The Indian Railways network providing the nation economic and reliable transport to Indians. While the freight traffic generates bulk of the revenue for the railways, passenger transport is the more visible face of the railways as it touches directly the lives of millions who avail of the passenger transport services. Accordingly, Indian Railways have been making efforts over the past few years to enhance the services being provided to their passengers. IR has taken various initiatives for providing efficient services at railway stations by identification of model stations for provision of upgraded passenger amenities as well as other stations have been identified for provision of certain 'touch and feel items' to transform them into modern stations in order to bring about visible improvements at stations. Some of the major services of Indian Railways are as follows:

Indian Railways has provided a commitment in its 'Citizens Charter on Passenger Services of Indian Railways' to provide courteous and efficient counter services.

- As per extant rules each passenger is allowed a free allowance of luggage varying from 35 kilograms in second class to 70 kilograms in AC First class and an additional marginal allowance ranging from 10 to 15 kilograms, which he is entitled to carry with him in the compartment free of cost and any excess luggage has to be carried in the brake van. Luggage carried by passengers in compartments beyond the prescribed free allowance would be charged at more than the normal rate
- Indian Railways has also provided a commitment in its 'Citizens Charter on Passenger Services of Indian Railways' to ensure adequate facilities in trains apart from providing safe and dependable service. Providing security in trains to travelling passengers is an essential service keeping in view the increasing crime rate.

- First aid boxes, communication facility and catering services are other facilities that are provided in trains.
- Catering services in trains are provided by licensed caterers engaged by Indian Railway Catering and Tourism Corporation Ltd (IRCTC). IR has a Memorandum of Understanding (MoU) with IRCTC for revenue sharing, which also stipulates that IRCTC would enter into a standard agreement with each zone for the every category of service provided.
- Effective security arrangements on board the trains call for adequate deployment of escort security on board the trains, provision of security equipment to the escort security and efficient co-ordination between the Railway Protection Force (RPF), Government Railway Police (GRP) and the commercial staff on board the trains.
- Indian Railways provides various other services at railway stations for the benefit of passengers comprising, facilities for the physically challenged, porter services facilities for booking luggage in brake vans and refund services
- Indian Railways has provided a commitment in its 'Citizens Charter on Passenger Services of Indian Railways' to ensure adequate passenger amenities in trains and at railway stations.
- IR in its 'Citizens Charter on Passenger Services of Indian Railways' has also committed to provide safe and dependable train services. Passengers relate punctuality with the actual departure time of trains from their boarding station and the arrival time of trains at the disembarking platform at the destination station.
- Indian Railways recently started internet reservation system, where customer can get the railway reservation done through credit cards.
- New service is launched by Indian Railway that is SMS service, all the enquiries offered on the website of Indian Railway, are easily available on customer's mobile phone through SMS facility.
- Presently Indian Railway team is working on a software, which will be helpful to sought out customer's grievances against amenities in trains or platforms.

These are the major services of Indian Railways and Indian Railway team working continuously to improve their services in almost every side.

LITERATURE REVIEW

Sharma and Sahni (2013), The results obtained from their study shows that level of SERVQUAL is not very good but overall mean of the perception for SERVQUAL is less which shows that customers somewhat agrees to the quality of services given by the Railways. The level of service can be increased by improving various attributes such as tangibles, reliability, responsiveness, assurance and empathy. These variables can contribute to a large extent to improve the SERVQUAL attributes and to decrease the SERVQUAL gap.

Osman and Sentosa (2013), pointed out that customer satisfaction has significant and positive partial mediating effect on service quality and customer loyalty relationship.

Agarwal (2012) explained that customer loyalty is directly related to customer satisfaction and it definitely improves the profitability of any firm. Majority of the respondents considered brand image, sound quality, durability, price,

size availability, after sale services and attractiveness as major factors influencing consumers purchase decision.

Anjali Sharma and Dr. A.K Mishra (2012), reveals that there are five generic dimensions of service quality: Reliability, Assurance, Tangibles, Empathy, and Responsiveness. But a new dimension should also be understood by Delhi Metro that Security to provider services which means firms should possess the skill and knowledge to perform a service so that maximum satisfaction can be provided. Measuring Commuters' Perception on Service Quality Using SERVQUAL in Delhi Metro.

Malik, Yaqoob and Aslam (2012), shows that service quality is positively and significantly correlated with customer loyalty. A considerable number of authors have argued that service quality is an important determinant of service loyalty but its exact relationship has remained unclear.

Gopinath. R (2010), found that difference in customer's habits, their cognitive structures and their motives cause them to behave differently when buying. Although an individual doesn't act the same way in all situations, people tend to act consistently, A study on Men's perception in buying decisions on branded shirts in Tiruchirappalli District, Asian Journal Of Management Research.

Jayaraman Munusamy, Shankar Chelliah and Hor Wai Mun (2010) provided a quantitative research in Malaysia to study the relationship between service quality dimension and customer satisfaction. According to them assurance has positive relationship but it has no significant effect on customer satisfaction. Reliability has negative relationship but it has no significant effect on customer satisfaction. Tangibles have positive relationship and have significant impact on customer satisfaction. Empathy has positive relationship but it has no significant effect on customer satisfaction. Responsiveness has positive relationship but no significant impact on customer satisfaction

Knight, T. and Deas, S.(2010), Assures that that customers hold different types of service expectations: desired service, which reflects what customers want; adequate service, or what customers are willing to accept; and predicted service, or what customers believe they are likely to get. These different levels of service are reflected within the customer's zone of tolerance which establishes the variability in the service delivery that the customer is willing to accept. Customer expectations and tolerance levels are influenced by a variety of factors. The types and sources of these are the same for end consumers and business customers, for pure service and product-related service, and for experienced customers and inexperienced customers. Customer expectation of services.

Muzammil Hanif, Sehrish Hafeez and Adnan Riaz (2010), brings in the factors affecting customer satisfaction is of worth importance in order to know the reasons or the factors which are responsible to create satisfaction among customers for a better Indian railway sector, Factors Affecting Customer Satisfaction, International Research Journal of Finance and Economics.

Uma Sankar Mishra, Bibhuti Bhusan Mishra, Saroj Kanta Biswal and Bidhu Bhusan Mishra (2010), assures the success or failure of a business depends on what of customer relationship it practices. In the modern world of competition, growing consumerism, and information explosion, the one single element that stands out as the factor of success is the customer satisfaction, Employee Evaluations of Customer Satisfaction: A Comparative Study between Public and Private Banks in India, International Research Journal of Finance and Economics.

Vivek Kumar and Vikas Rastogi (2009), reveals Indian Rail transport is one of the major mode of transportation, so it must offer high comfort level for the passengers and the staff. However, the comfort that passengers experience is a highly complex and individual phenomenon. The improvement of passenger comfort while travelling has been the subject of intense interest for many train manufacturers, Investigation of vertical dynamic behaviour and modelling of a typical Indian rail road vehicle through bond graph, World Journal of Modelling and Simulation.

Karan Kumar (2007-08) summarized Metro City Railway Stations like Delhi, Mumbai need to be modernized to provide world – class passenger amenities and services to the large multitude of passengers using these stations. IR is planning to do so by attracting private investments in the area by allowing the areas around the stations and the air space above platform to be commercially developed while operational/passenger – handling areas are separated from such commercial areas as in case of airports. Public-Private Partnership in Indian Railways, Centre for Civil Society, CCS Working Paper no. 182, Summer Research Internship Programme.

Nick Thijs and Patrick Staes (2008), suggests a platform for the exchange of views, experiences and good practices to improve the performance, competitiveness and quality of Indian railway, Primer on Customer Satisfaction Management, European Institute of Public Administration.

Salma and Sarwar (2008) conducted a research on customer relationship management and how does it affects service quality. From the research they found that the focus of service marketing firms should be to continue to improve implementation of all aspects of service marketing rather than shifting attention to CRM.

Vanniarajan and Stephen (2008) identified the attributes that passengers use to evaluate the service quality of Indian Railways as reliability, assurance, empathy, tangibles, and responsiveness. Rail Corporation – NSW Government and City Rail (2009) used seven key elements to measure service quality in rail way service, those were: ontime trains; managing crowding; fast, accurate, useful information; secure and safe travel; clean trains and stations; fast ticket sales; and quick and fair complaints handling.

Anand K Sharma & Mathew J Manimala (2007) outline that there were external as well as internal causes for the declining performance of Indian Railways. The budgetary support from the Central Government was dwindling and its financial situation did not allow higher budgetary support to the Ministry of Railways, besides the competition from road and air was increasing - Sustainability Of The Indian Railways Turnaround: A Stage Theory Perspective - The International Workshop on Innovation and Entrepreneurship held at Cankaya University, Ankara, Turkey.

Eboli and Mazzulla (2007), measured customer satisfaction in the context of bus service on various factors including availability of shelter and benches at bus stops, cleanliness, overcrowding, information system, safety, personnel security, helpfulness of personnel, and physical condition of bus stops. TCRP Report 100 identifies the following elements at bus stations for efficient service: shelters, waiting rooms and seating, doorways, stairways, escalators, signage and information displays, public address systems, and passenger amenities (including shelters, benches, vending machines, trash receptacles, lighting, phone booths, art, and landscaping).

G. Raghuram Rachna Gangwar (2007) states that Indian Railways needs to respond to the industry specific needs by interacting with them regularly. There is a potential for Indian Railways provided high capacity wagons, special purpose wagons, bigger train loads, closed circuit rakes and round the clock operations are given significant focus based on

the customer specific requirements - Marketing Strategies for Freight Traffic on Indian Railways A Systems Perspective - Indian Institute of Management Ahmedabad, India - Research and Publications.

Atul Gupta (2005), The model of TQS has becoming increasingly relevant in modern service firms, because it focuses on rigorously analyzing and continuously improving customer – oriented service processes. The ultimate ends of the TQS philosophy are the achievement of short and long term financial goals, the realisation of increased market share, and the creation a sustainable competitive advantage. TQS is a comprehensive methodology, which engages crucial elements of the firm toward a vision of delivering increasingly high quality services to consumers. It was hypothesized that a quality focused organizational culture, a strategically inclined leadership team and a fully committed employee population, as “sustaining structures” of TQS, would be positively correlated with the achievement and preservation of a TQS environment.

Jin Tao (2005) proposed to evaluate passenger service quality from the aspects of ticketing and waiting for services (ticketing service quality, and quality of service waiting), travel services (punctuality, comfort, safety) and get off at the service station, and so on with experts sort method, visitor survey evaluation method and the weighted average method in literature.

David & Ana (2003), found that customer perception for service quality clearly affects their relationship with the company so, a service company must focus on each individual’s needs in order to satisfy the customer and making a good relationship with them. According to them the better relationship maintain only by placing the employee in right place, supported company resources, as close to the customer as possible, both in terms of physical and mental distance.

Christoph Wolff (2001), summarized that Indian Railways must separate tangential areas, such as manufacturing and catering, from its core business of providing logistics service for freight customers and passenger service. India has the world's most vertically integrated rail system. - Getting India's railways on track, McKinsey Research Report

Ribiere et al. (1999) found customer satisfaction with hospital services included accuracy, timeliness and completeness. Another study conducted by **Andaleeb (1998)** determined the customer satisfaction with hospital services and incorporated quality of the facilities, staff competence, conversation with patients, staff behavior, and perceived cost. Full-service moving companies assessed the customer satisfaction by considering seven factors: estimate process, packing service, loading service, unloading service, optional coverage, transportation belongings and damage claims

Objectives of the Study

The study of this topic has been undertaken with a number of objectives. Following are the objectives of this study:

- The first objective of this study is to understand the service marketing strategies in Indian Railway.
- To know about the perception of Indian people regarding the services provided by Indian Railways and to understand what factors lead to customer satisfaction and loyalty in the Indian Railways.
- To understand the effect of loyalty on revenue of Indian Railways.
- To understand and conceptualize the future marketing strategies of services in Indian Railways.

Scope of Research

The Indian Railways is the oldest, cheapest and one of the fastest modes of transport, connected with almost every state and being the backbone of Indian economy, it is necessary to study and understand the level of Satisfaction and loyalty people have with Indian Railways. The expectation people carry while taking the services. Their perceived expectation and realistic experience from the passengers/customers need to be measured. To understand the services provided by the Railway officials and the strategies used by Indian Railways. The intent of this research is to understand the various service quality factors and their impact on customer satisfaction as well as loyalty towards Indian Railways.

REFERENCES

1. Agarwal Vikas, Ajay Chaurasia, Prateek Negi (2012) "Business Profitability through Customer Loyalty and Satisfaction in India with Special Reference to Dehradun" International Journal of Marketing and Technology, Vol. No. 2, Issue-9, pp 135-143.
2. Anand K Sharma & Mathew J Manimala (2007) - Sustainability of the Indian Railways Turnaround: A Stage Theory Perspective - The International Workshop on Innovation and Entrepreneurship held at Cankaya University, Ankara, Turkey.
3. Andaleeb, S. S. 1998. Determinants of customer satisfaction with hospitals: A managerial model. International Journal of Health Care Quality Assurance 11(6): 181-187.
4. Atul Gupta (2005), Quality Management in Service Firms : Sustaining Structures of Total Quality Service, Managing Service Quality Vol. 15 No 4, 2005 pp. 389-402
5. Cavana R.Y and Corbett ,L.M. (2005) Developing zones of tolerance for managing passenger rail service quality, International Journal of Quality and Reliability Management , Vol 24, No. 1, 2007, p 7 – 31.
6. C. R. Kothari (2008), Research Methodology –New Age International Publishers
7. Eboli, L., and G. Mazzulla. (2007), Service quality attributes affecting customer satisfaction for bus transit. Journal of Public Transportation 10 (3): 21-34.
8. Fozia Malik, Sara Yaqoob and Abid Samih Aslam (2012), The Impact of Price Perception, Service Quality and Brand Image on Customer Loyalty : Study of Hospitality Industry, Interdisciplinary Journal of Contemporary Research in Business, Vol 4, No 5
9. Gopinath. R (2010), A study on Men's perception in buying decisions on branded shirts in Tiruchirappalli District, Asian Journal of Management Research, ISSN 2229 – 3795.
10. Hemant Sharma and Nagendra Sahni (2013), Service Quality improvements of Railway : An empirical study of Indore Railway, International Journal of Mechanical, Civil, Automobile and Production Engineering, Vol. 3 No. 7
11. Jin Tao. Research on the Evaluation System of Railway passenger service quality. Southwest Jiaotong University, 2005,7-34.
12. Karan Kumar, (2007 – 08), Public-Private Partnership in Indian Railways, Centre for Civil Society, CCS Working Paper no. 182, Summer Research Internship Programme.

13. Malhorta, N.K. (2005). Marketing Research. 5th edition Pearson education India pg no 50-65.
14. Munusamy . J, Chelliah . k and Wai Mun . H (2010), Service Quality Delivery and its Impact on Customer Satisfaction in the Banking Sector Malaysia, International Journal of Innovation, Management and Technology, Vol.1, (4), PP. 398-404
15. Nargundkar R (2005) marketing research, 2nd edition, Tata McGraw-Hill, New Delhi.
16. Nick Thijs and Patrick Staes (2008), Primer on Customer Satisfaction Management, European Institute of Public Administration, p.17
17. Rahman, Salma and Sarwar M. Azhar (2008) “CRM or Service Marketing: Is there a Choice in Developing Market Economies?” International Review of Business Research Papers, Vol.No. 4, Issue-2, pp 249-264.
18. Ribièrè, V.,A.J. LaSalle, R. Khorramshahgol, and Y. Gousty. 1999. Hospital information systems quality: A customer satisfaction assessment tool. Thirty-Second Annual Hawaii International Conference on System Sciences 4: 4011.
19. Ruskin Bond (2011), Penguin Book of Indian Railways Stories –Published by – Penguin Books India.
20. Uma Sankar Mishra, Bibhuti Bhusan Mishra, Saroj Kanta Biswal and Bidhu Bhusan Mishra (2010), Employee Evaluations of Customer Satisfaction: A Comparative Study between Public and Private Banks in India, International Research Journal of Finance and Economics, ISSN 1450-2887 Issue 59.
21. Vanniarajan, T., and A. Stephen. 2008. Railqual and passenger satisfaction: An empirical study in southern railways. Asia Pacific Business Review IV(1), January-March: 64-75.
22. Vivek Kumar and Vikas Rastogi (2009), Investigation of vertical dynamic behaviour and modelling of a typical Indian rail road vehicle through bond graph, World Journal of Modelling and Simulation, Vol. 5, No. 2, pp. 130-138
23. Wahlby, David kling. and Ana lulic (2003) “Creating sustainable service relationships in the post-modern context” International Business Program Master Thesis,pp 1-189,[Accessed online https://gupea.ub.gu.se/bitstream/2077/2292/1/inlaga_2003_53.pdf]
24. Wolff, Christoph and McKinsey (2001), Getting India's railways on track, Quarterly, 00475394, Special Edition, Issue 4 - Database: Corporate Resource Net
25. Zahir Osman and Iiham Sentosa (2013), Mediating effect of Customer Satisfaction on Service Quality and Customer Loyalty Relationship in Malaysian Rural Tourism, International Journal of Economics Business and Management Studies, Vol 2, No 1

