



# IMPACTS OF SERVICE QUALITY ON LOYALTY OF THE CUSTOMERS TOWARDS INDIA POST

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## Abstract

It was during the time of the East India Company that Tamilnadu's postal system was established. Once Madras, it began as a way to distribute mail for the East India Company and its employees. As of today, the system processes more than 80 million pieces of mail per day. Even though India Post's postal services are less expensive, many people still prefer private couriers, just as many individuals prefer other public and private banks' banking services. Many people are still reluctant to visit the post office for various services. The study's primary goal is to examine the relationship between India Post's service quality, customer satisfaction, and customer loyalty. The most important finding is that customer loyalty is positively correlated with service quality. As a result, the postal service holds public education events including rallies and awareness camps, as well as distributing flyers and other promotional materials. Advertisements for India Post's services must be made available in the local language as well, in order to reach those living in rural areas.

**Key words:** Service Quality, Customer, Satisfaction and Loyalty.

**DOI Number:** 10.48047/nq.2022.20.22.NQ10304

**NeuroQuantology**2022;20(22):3079-3084

## Introduction

To date, the Department of Posts (DoP), which serves as the nation's communication hub, has been instrumental in the country's progress. Delivering mail, accepting deposits under Small Savings Schemes, offering life insurance coverage under Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI), and offering retail services like bill collection, the sale of forms, among other things, all have an impact on the lives of Indian citizens. The DoP represents

the Indian government as well as delivering numerous services to individuals, such as the payment of old age pensions and wages under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). Its postal network of more than 1.5 million post offices makes it the largest in the world.

The Department of Posts is under the jurisdiction of the Ministry of Communications. There are seven people who make up the Postal Service Board, the department's top decision-making body.



Personnel, Operations, Technology, Postal Life Insurance, Banking & DBT, and Planning are the six board members' respective portfolios. A permanent invitee to the Board is the Additional Secretary and Financial Advisor to the Department. As Secretary to the Board, a senior staff member of the Directorate supports the Board. Deputy Directors General, Directors, and Assistant Directors General provide operational support to the Board at the corporate headquarters.

In order to provide postal services, the entire country was divided into 23 postal circles. There are only a handful of circles in which a Chief Postmaster General is in charge, including Gujarat, which includes the Union Territories of Daman & Diu and Dadra & Nagar Haveli, the Kerala Circle, which includes Lakshadweep as a Union Territory, the Maharashtra Circle, which includes the State of Goa, the North Eastern Circle which includes six North Eastern States (Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagal In addition to the Circles, there are other Divisions (Postal / RMS Divisions) made up of Regions, each of which has a field unit. Each region is overseen by a Postmaster General. There are other operating entities in the Circles and Regions, such as the Circle Stamp Depot, the Postal Store Depot, the Mail Motor Service, and so on. In addition to these 23 Circles, a fourth Circle known as Base Circle meets the necessities of the Armed Forces' postal communications. The Additional Director General, Army Postal Service, who holds the rank of Major General, is in command of the Base Circle. Officers on deputation from Civil Posts make up the Army Postal Service's officer cadre. 75 percent of the other ranks of the Army Postal Service are supplied by the Department of Posts, with the Army recruiting the other personnel.

The major responsibility of the postal service is to deliver packages to their destinations safely and quickly. Because of this, logistics will involve postal management in efforts to improve customer service. The Indian postal service has used new technologies, such as better counter machines, revamped counters, and modern, ergonomic equipment, to improve the

ambiance and quality of their services. Though competition from private postal services is increasing, communications are rapidly evolving due to the information technology revolution, globalisation, economic liberalisation and other factors.. Designing for postal service quality is a common practise to ensure the industry's long-term health.

#### **Review of Literature**

S. A. Punitha (2020). The Government of India intends to promote financial inclusion by delivering banking services at the doorstep of crores of Indians. The India Post Payment Banks develop and create saving habits among the locals. It's the most convenient bank right at your door. IPPB's additional benefits include no account opening services and assistance through the postman/GDS. Many clients are drawn to IPPB since there is no minimum balance and account setup is simple and convenient. There is no limit to the amount of money that can be withdrawn from the account. From the above study, it is apparent that the IPPB is giving many new services which is more advantageous and convenient to the customers but they has to apply the efficient promotion ways to attract more customers.

Srinivasa Tamilarasi, and M. D. Bhuvaneshwari, are the authors of this study (2019). The Postal Service's Payment Bank is an example of its inventiveness at work. The savings office can be accessed by the vast majority of individuals who have a phone number. This novel concept has the potential to excite customers in the future, but it also has certain drawbacks. If the Airtel business focuses on the bad grades, then this idea might represent a huge challenge to the traditional account management industry..

As a consequence of increased rivalry in this area, all of the banks aim to expand their services and digital banking system, as much as possible, to meet customer satisfaction. Banks must make an effective selection in service enhancement and marketing strategies for enhancing competitive advantage in this industry. It was the goal of this research project to look into the relationship between customer



satisfaction with digital banking services and the mediating function that trust plays in that relationship.

Digital banking customer satisfaction was represented by six parameters. These six criteria of satisfaction are all dependent on trust, but so are some of the variables. Digital banking is fostering a long-term engagement with the bank. You don't need to go to the bank on a regular basis, Customers' familiarity with the bank Customer satisfaction is the motto of your bank, Bank provides incentives to customer for continuous use of digital banking and Bank's website deals with customer's order fast enough are the important aspects of customer satisfaction, fulfilment, achievements, self-satisfaction, pride encouragement and delight are the six factors that influence the customers' satisfaction. Based on the foregoing discussion and analysis the Customers' satisfaction is greater in private sector banks with relation to digital banking services than public sector banks.

According to Jagadeesan and Chinnadurai (2017), a link was found between service satisfaction with e-banking services and their satisfaction with their bank accounts using the SERVQUAL model. However, there has been no research to date to establish the significance of the notion of e-banking in analysing the influence of service excellence on account holder satisfaction. As a result, an effort has been made to close the gap in review by applying the SERVQUAL model to analyse how the e-banking operations offered by the banking institutions in the country are valued. The examiner has incorporated bank account possessor happiness as the reliant factor and five characteristics of service values; i.e., physical aspect, dependability, receptiveness, guarantee and empathy, as an autonomous elements. The purpose of the study is to examine the consumer contentment and its association with service quality. A questionnaire-based survey with a sample size of 960 people was used to perform this type of research.

#### **Statement of the Problem**

India Post offers a wide range of products and services, including, but not eISSN1303-5150

limited to, banking and remittance, insurance, stamps, electronic commerce, and business-related services and retail services. In addition to providing all of these services, the India Post also enjoys the support of the Indian government, increasing security automatically. Despite its many advantages, India Post's many products and services have struggled to gain the widespread recognition they deserve among the general public. Even though India Post's postal services are less expensive, many people still prefer private couriers, just as many individuals prefer other public and private banks' banking services. Many of the individuals are still apprehensive to go to the post office for their numerous associated services. Because of this, it is vital to inquire about the level of knowledge that they have about India Post's services. Do they not know about or utilise these services? What kind of pleasure do they have towards the services of India post? In order to answer these questions, the current research is being conducted.

#### **Objectives of the study**

In order to determine the relationship between customer happiness, quality of service, and loyalty to the Indian post

#### **The research hypothesis**

Customer satisfaction as a mediating variable increases the extent of the effect between India Post's Service Quality and customer retention.

#### **Methodology**

In this study the researcher has employed the Descriptive research design in single cross sectional research. A combination of primary and secondary data has been gathered to meet the study's stated goals. In this part, you'll find information on how to collect and analyse data. This section includes a wide range of analytical and empirical models and techniques.

A combination of primary and secondary data is used in this investigation. Personal interviews and questionnaires were used to acquire the necessary primary data from the chosen respondents using a well-tested inquiry plan. A great deal of care was taken to eliminate bias, and the data were



double-checked to be sure they were accurate.

As far as this study is concerned, the least required sample size is 384; the researcher has targeted 600 sample respondents who have used postal services in Tirunelveli district, Tamil Nadu, based on the pilot study experience. Tirunelveli is home to 555 different post offices. The researcher covered taluk-wise data collecting rather than focused on all the post offices. Only 512 of the 600 people who took the survey completed it correctly. Only 502 of the 512 complete replies were used in the current study out of the total of 512. Non-probability sampling was used to pick respondents, but they were selected by a Purposive sampling

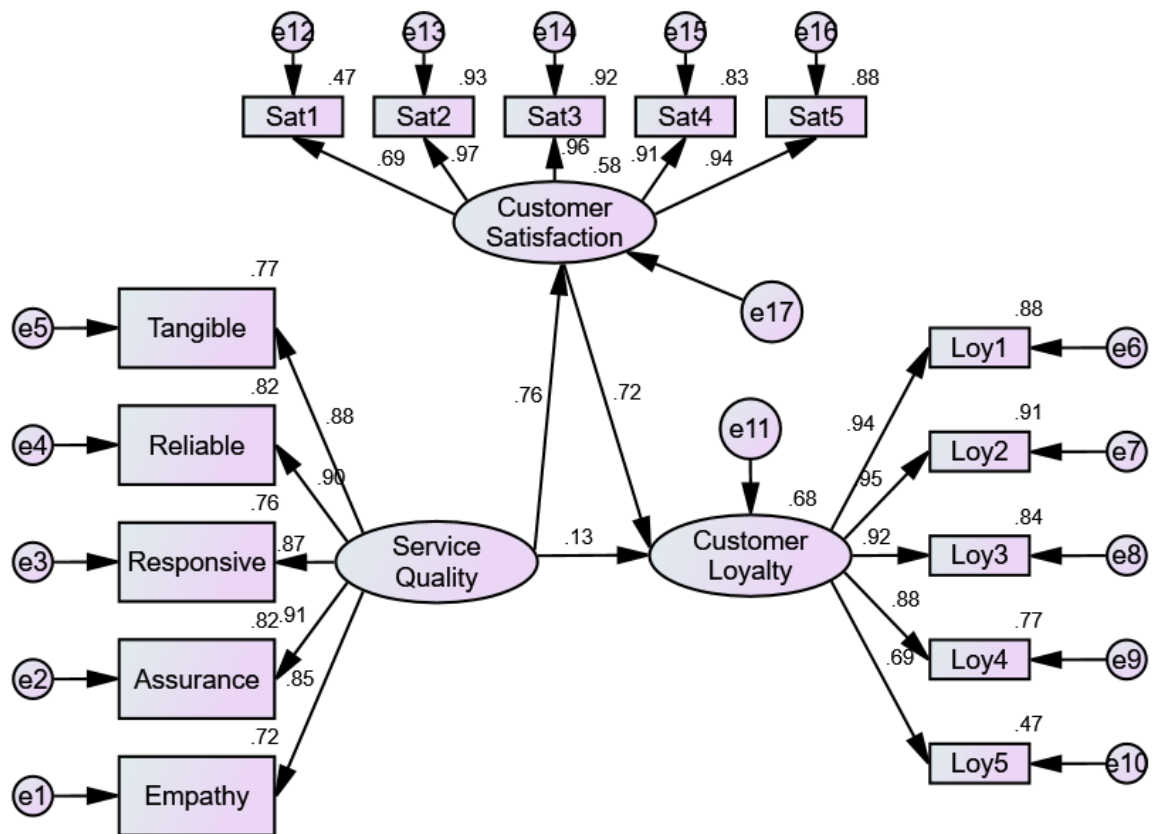
methodology. Structural Equation Modelling with Mediation (SEM) software was used to get statistical findings from the data entered.

**Analysis:**

**Path between Service Quality and customer loyalty with a mediator of customer satisfaction**

In order to analyse the relationship between service quality and customer loyalty along with the mediator of customer satisfaction, the following path analysis has been conducted.

H<sub>0</sub> - customer satisfaction mediator variable enhance the effect size between Service Quality of India post and customer loyalty.



**Fig. 1 Standardized effects of a path between Service Quality and customer loyalty with a mediator of customer satisfaction**

**Table No.1  
Unstandardized Regression Weights**

Paths	Estimate	S.E.	C.R.	P	Label
Customer Satisfaction <--- Service Quality	.912	.050	18.278	***	Supported



	Paths		Estimate	S.E.	C.R.	P	Label
Customer Loyalty	<---	Service Quality	.162	.046	3.523	***	Supported
Customer Loyalty	<---	Customer Satisfaction	.770	.048	15.962	***	Supported

The regression analysis talks about the link between the dependent variable and the independent variable. It is possible to draw the conclusion that the variables have a positive connection since the significant p value of 0.05 is smaller than 0.000. There is a positive association between service quality and customer satisfaction. Whenever there is a 1 unit rise in the service quality of the postal services, there is a 0.912 unit increase in the

customer satisfaction. Customer loyalty and service go hand in hand, as does the quality of the services provided. Whenever there is a 1 unit rise in the service quality of the postal services, there is a 0.162 unit increase in the customer loyalty. Finally, there is a positive association between customer satisfaction and customer loyalty. Whenever there is a 1 unit rise in the customer satisfaction, there is a 0.770 unit increase in the customer loyalty.

**Table No.2**  
**Effects details**

Effect Name	Independent variable	Mediator Variable	Dependent Variable	Effect Size	Result
Direct Effect	Service Quality	-	Customer Loyalty	.13	Significant
Indirect Effect	Service Quality	Customer Satisfaction	Customer Loyalty	.55	Significant
Total Effect	Service Quality	-	Customer Loyalty	.68	Significant

The above table talks about the total, direct and indirect effect size between the dependent and the independent variable. The total effect size between the service quality and customer loyalty is 0.68. among this the direct effect size is 0.13. But, when the mediator of customer satisfaction mediates between the independent variable and the dependent variable, the effect size is 0.55. Thus, it becomes very clear that the mediator of customer satisfaction plays a crucial role in increasing the loyalty of the customers.

**Conclusion**

According to the findings of the current study, numerous factors contribute to this, the most important of which is a lack of public knowledge. Many individuals aren't aware that India Post offers services connected to banking, e-commerce, and a slew of other topics. As a result, the postal service must hold public education events such as rallies and awareness camps, as well as distribute advertisements and leaflets to

raise awareness among the general public. Advertisements for India Post's services must be made available in the local language as well, in order to reach those living in rural areas. For starters, they can put up posters near the locations of their branches and promote in local papers, on television and radio stations throughout the area. The Postmen might distribute booklets everytime they visit the clients in order build awareness among the people regarding the numerous services given by India Post. This will also develop an intimate bond between the postmen and the consumers.

India Post is doing an admirable job when it comes to keeping up with the developing world when compared to many other government-owned public agencies. In recent years several of the public institutions are being privatised because of its non-performing nature. In India Post's instance, not only the government but also the general public must work together to ensure the



company's sustainability. Through this, not only the regular people, but the country generally will profit. As a result, users should view their use of India Post services as an act of patriotism and take appropriate action.

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