

SERVICES MARKETING – A STUDY WITH REFERENCE TO COURIER SERVICES IN VIRUDHUNAGAR DISTRICT

Synopsis submitted to the Madurai Kamaraj University
in partial fulfillment of the requirements
for the award of the degree of

**DOCTOR OF PHILOSOPHY
IN
COMMERCE**

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INDIA

FEBRUARY 2020

INTRODUCTION

Economic development has been associated with the structural changes in the national economies. On the path of its economic development, service sector plays an important role in the economic growth of any nation. In India, the services sector contributed about 63.6 per cent of Gross Domestic Product and about 30 per cent of employment in 2017-18. It also contributed about 34.7 per cent of the total exports of India in 2017-18. India's dynamic services sector has grown rapidly in the last decade with almost 74.8 per cent of the growth in India's Gross Domestic Product in 2017-18 coming from this sector. Unlike other developing economies, the Indian growth story has been led by services sector growth which is now in double digits. The reason behind the growth of services sector is marketing of services.

Services marketing include marketing of services such as postal and telecommunications services, financial services, all types of hospitality services, car rental services, air travel, health care services and professional services, *etc.* Among these services, postal and telecommunication services play a very important role in business. It is now widely recognised that the success of any business greatly depends on efficient and effective communication. Courier services occupy a dominant position in communicating business people within and outside India. With the onset of globalisation, the restrictions in international business markets are decreasing, reduced tariff and much improved infrastructure introducing large number of airlines are the few factors fostering the growth of courier service.

Courier service refers to the fast or quick, door to door pickup and delivery service for goods or documents. They charge a flat rate or a rate directly proportional to the weight of the goods or based upon the urgency of delivery of the goods or both to the party using the services of the courier units. The goods dealt with by the courier units include legal papers, garment samples, technical reports, manuals, textile/fabrics cloth, cheques, drafts, files, stationery documents, negotiable instruments, banking papers and the like. Courier units for transmission from one place to another do not accept items like postcards, inland letters, hazardous materials and medicines. It is distinguished from ordinary mail and other modes of delivery services based upon their speed, security, tracking features, swift delivery, *etc.*

STATEMENT OF THE PROBLEM

Once homing pigeons have been used to deliver small messages, but now people can send even 50kgs weighted parcel from one place to another within a very short time. People always look for new and modern alternatives. Apart from traditional postal service, there has been a clear shifting of the choice of the people towards courier service. As it is less time consuming than postal service, it is much more secure process as well than postal service. To win the race of time, courier system of our country is evolved.

The courier industry is growing so fast in the past ten years. Most of the people prefer to use a courier service instead of standing in line at the local post office. Especially institutional courier service users are more benefitted by courier units. They reach their customers anywhere in the world. Similarly, individual courier service users have obtained lot of advantages through courier units. The courier units are highly labour intensive and annually contribute 5 billion to the government funds in the form of service tax. Many factors contributed to the growth of courier service in India. Economic growth, increasing population, technological advancement, escalation of industrial sector, increase in export and import and large scale effect of liberalisation are few of the major reasons for the growth of courier services.

Today, so many courier units entered into the market by monitoring the attractive features of courier services. But, they experience a host of problems in their service delivery. These problems often end up in increasing the cost of services, time wastage and poor service delivery, *etc.* In order to attract the customers and ensure prompt service delivery, they formulate a marketing strategy consisting of a combination of elements of marketing mix.

Likewise, courier service users are more cautious about the price, quality of service, profitability, proper delivery and safety of their goods and parcels, while selecting their right services. Keeping this in view, there is a need to analyse the problems and prospects of courier service units. At the same time, it is essential to know about the opinion of the courier service users about courier services and problems faced by them. Hence, an attempt has been made to study the services marketing with reference to courier services in Virudhunagar district.

SCOPE OF THE STUDY

The present study is an empirical one, based on the relationship between courier services providers and courier service users. The study focusses on the opinion of the individual and institutional courier service users towards courier services and its service quality. The reasons for using courier services by individual and institutional courier service users are compared. It also studies the marketing strategies adopted by the courier unit owners in the light of the elements of marketing mix.

OBJECTIVES OF THE STUDY

The objectives of the study are as follows:

1. To present the evolution and growth of courier services.
2. To study the socio-economic profile of the individual courier service users.
3. To measure the level of opinion of the individual courier service users towards courier services.
4. To examine the relationship between socio-economic profile of the individual courier service users and their level of opinion towards courier services.
5. To study business profile of the institutional courier service users.
6. To measure the level of opinion of the institutional courier service users towards courier services
7. To examine the relationship between business profile of the institutional courier service users and their level of opinion towards courier services.
8. To analyse the opinion of the individual and institutional courier service users towards service quality of courier services.
9. To analyse the opinion of the courier unit owners towards elements of marketing mix.
10. To offer suggestions on the basis of findings of the study.

METHODOLOGY

The present study is based on both primary and secondary sources. The primary data has been gathered from 294 individual courier service users, 372 institutional courier service users and 166 courier units. Separate questionnaires have been framed for the collection of primary data from individual courier service users, institutional courier service users and courier units. The primary data has been collected with the help of well-structured and pre tested questionnaire. For the

purpose of survey of sample courier units and customers, pre test has been conducted among 10 courier units and 50 sample courier service user comprising both individual and institutional courier service users. The pre test is done to analyse the effectiveness of the questionnaire. The questionnaire has been modified on the basis of pretesting.

PRIMARY DATA

The primary data has been collected proportionately by using convenience sampling method. The collected primary data has been tabulated, edited and coded. Appropriate statistical tools have been used for analysing the primary data.

SECONDARY DATA

The secondary data has been collected from standard text books, reports, records and relevant websites. The documentation in this research work has been presented in APA format (Sixth Edition).

SAMPLING FRAMEWORK

As per the statistical survey report of Virudhunagar district profile, there are 11, 236 registered business institutions. The courier unit owners stated that 90 per cent of the parcels are booked from institutional courier service users and 10 per cent of the parcels are booked from individual courier service users.

90% - 11,236 (Population of institutional courier services users)

10% - 1,248 (Population of individual courier services users)

100% - 12,484 (Total population using courier services)

Hence, the individual courier service users are approximately 1,248. Thus, the average number of courier service users per month is 12,484.

The population of institutional courier service users are 11,236. It is fed into Rao's calculator to determine the sample size. The sample size of the institutional courier service users are 372 at 95 per cent confidence level. The sample 372 institutional courier service users are chosen proportionately by using convenience sampling technique.

**Sample Selection of Institutional Courier Service Users
on the Basis of Type of Business**

Type of Business	No. of Institutional Courier Service Users	Sample
Manufacturing	2,024	67
Trading	2,296	76
Service	6,916	229
Total	11,236	372

Source: DIC Records, 2017-18

The population of individual courier service users are 1,248. It is fed into Rao's calculator to determine the sample size. The sample size of the individual courier service users are 294 at 95 per cent confidence level. Convenience sampling technique has been used to select the sample of 294 individual courier service users.

COURIER SERVICE PROVIDERS AND NUMBER OF COURIER UNITS IN VIRUDHUNAGAR DISTRICT

In Virudhunagar district, there are 69 courier service providers. They have 234 main units and 57 collection points. Totally, there are 291 courier units are functioning. The details of courier service providers and number of courier units functioning in Virudhunagar are presented in the following Table.

BLOCK WISE COURIER UNITS IN VIRUDHUNAGAR DISTRICT

In Virudhunagar district, there are eleven blocks. Out of the eleven blocks, only eight blocks have main units and collection points of courier services. Table spells out the number of courier units functioning in Virudhunagar district.

Sample Distribution of Courier Units in Virudhunagar District

Name of the Block	Main Unit	Collection Point	Total	Sample
Virudhunagar	69	14	83	47
Sivakasi	54	19	73	42
Srivilliputtur	33	7	40	23
Rajapalayam	31	6	37	21
Sattur	18	3	21	12
Aruppukottai	12	6	18	10
Kariyapatti	11	2	13	8
Thiruchuli	6	0	6	3
Total	234	57	291	166

Source: Annual Records of Courier Units, 2017

The total number of courier units (291) is fed into Rao's calculator to determine the sample size. The sample size of the courier units are 166 at 95 per cent confidence level. The sample 166 courier units are chosen proportionately by using convenience sampling technique.

PERIOD OF STUDY

Field study and data collection for the research study was carried out till 2017 and secondary data and other relevant information were collected up to March 2018 and the same has been presented in the report.

DATA PROCESSING

Statistical package for social science (SPSS.10) was used to analyze the data. SPSS is the one of the most widely used of statistical software packages. It covers a broad range of statistical procedures that allows summarizing data, determining whether the differences between groups are statistical significant or not. SPSS also contains several tools for analyzing data, including functions for recording data and computing new variable as well as merging and aggregating data files. Data is analyzed with the help of tables, charts and diagram. Descriptive analysis and Discriminative analysis have been used.

STATISTICAL TOOLS FOR ANALYSIS

The statistical tools used in this study are percentage analysis, mean, standard deviation, Chi-Square test, Garrett's ranking test, Cronbach alpha test, factor analysis and Multi-Dimensional Scaling technique.

AREA OF THE STUDY

Virudhunagar district is one of the districts in Tamil Nadu, blessed with good basic infrastructural facilities and resources, which could contribute to the process of development of the industries in the area and in particular to the development of the Micro Small and Medium Enterprises. But the pace of development in Virudhunagar district is found to be relatively slow. The majority of the working population depends on agriculture. This is the main reason for the stagnation in the industrial development of Virudhunagar district. The Government of India had declared almost the entire district as industrially backward area. Hence, incentives are provided for the starting of industries in the district. By and large, the whole background makes one to conclude that the policies are sufficient enough to accelerate the pace of industrial

development in the district. There is also a scope for promoting the industries based on tourism, since there are a number of tourist spots in the Virudhunagar district.

Virudhunagar district is leading in match industry, fireworks and printing, that are mostly concentrated in and around Sivakasi. Virudhunagar is the main market for oil, chicory, coffee seeds, dry chillies and pulses. There are two warehouses (Godowns) in this district; one in Virudhunagar and another in Rajapalayam. Ginning factories, spinning mills, power loom and hand loom industries are also present in the district at Rajapalayam, the second big weaving town in the state after Coimbatore. One of the cement plants of Madras Cements Ltd. is located in RR Nagar near Virudhunagar and another one is located at Alankulam of Sivakasi Taluk. As many business units are functioning in this district, they are utilising the courier services often. Hence, Virudhunagar district is taken as the area of the study.

CHAPTER SCHEME

The present study entitled “Services Marketing – A Study With Reference To Courier Services in Virudhunagar District” has been organised in seven chapters.

- Chapter I- Introduction and Design of the Study

This chapter includes introduction, courier services, statement of the problem, scope of the study, objectives of the study, operational definition of concepts, research methodology and chapter scheme.

- Chapter II -Review of Literature

This chapter highlights the review of previous studies related to courier services, service quality and marketing strategies of courier units.

- Chapter III – Evolution and Growth of Courier Services

This chapter portrays the evolution and process of courier services, major customers of courier services, segmentation of courier services, types of courier services providers, courier services at the national level and market share of courier services.

- Chapter IV- Opinion of the Individual Courier Service Users Towards Courier Services

This chapter studies the socio-economic profile of the individual courier service users; measures the level of opinion of the individual courier service users towards courier services; examines the relationship between socio-economic profile of the individual courier service users and their level

of opinion towards courier services. It also analyses the opinion of the individual courier service users towards service quality of courier units.

- Chapter V - Opinion of the Institutional Courier Service Users Towards Courier Services

This chapter studies the business profile of the institutional courier services users; measure the level of opinion of the institutional courier service users towards courier services; examines the relationship between business profile of the institutional courier service users and their level of opinion towards courier services. It also analyses the opinion of the institutional courier service users towards service quality of courier units and compare the reasons for using courier services by individual and institutional courier service users.

- Chapter VI - Opinion of the Courier Unit Owners Towards Marketing of Courier Services

This chapter analyses the opinion of the courier service unit owners towards elements of marketing in relation to 7Ps of marketing mix such as product mix, price mix, place mix, promotion mix, people mix, process mix and physical evidence mix.

- Chapter VII - Summary of Findings, Suggestions and Conclusion

This chapter presents the summary of findings, suggestions to improve the performance of courier service providers, conclusion and scope for further research.
