

## AN EMPIRICAL STUDY ON URBAN COMPANY SERVICE QUALITY INFLUENCE ON CUSTOMERS

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### ABSTRACT

Unlike the production industry, the service industry provides intangible goods to consumers in the form of services. Since service is intangible, it is difficult to understand what a consumer expects from a service provider. Hence, measuring the service quality and finding out whether the service provider matches the consumer's expectations is essential. With the increasing boom in E-commerce and fast lifestyle, there is a massive demand for online and home delivery services. Consumers already use such services for transportation, food, health, personal care, etc. For example, swiggy, Amazon, Flipkart, zomato, Ola, uber, etc. Online or web-based home service platform is something new and quite popular recently. Urban company is top-rated recently, and people are widely using it. Urban Company is selected for study to understand how the company is working to raise standards in providing online home-based quality and skilled professional services on time to customers. The present research study is based on understanding the Influence of Urban Company service quality on customers in Chennai. A questionnaire is used as a research instrument, and data is collected to analyze the service quality influence on customers.

**Keywords:** Service, Service Quality, Urban Company.

### Introduction

The service industry is a sector of the economy that provides intangible products or services to consumers or other businesses. It encompasses many companies focusing on delivering services rather than manufacturing tangible goods. Instead of producing physical products, they provide intangible benefits, such as consulting, hospitality, healthcare, education, finance, transportation, entertainment, tourism, and many others.

The service industry plays a significant role in modern economies, often comprising a substantial portion of a country's GDP and employment. It relies on human interaction, expertise, and exchanging skills and knowledge to create customer value. The quality of service and customer satisfaction are crucial factors in the success of service-based businesses.

Examples of service industry businesses include restaurants, hotels, banks, insurance companies, healthcare providers, consulting firms, law firms, airlines, telecommunications companies, and software companies.

E-commerce, also called electronic commerce, is a process of buying and selling goods and services or transferring funds, data, or services through an electronic network, mainly the Internet.

With growing prosperity in E-Commerce and frequent change in customer lifestyles, there is a massive demand for home delivery services online. 3ps people, processes, and physical evidence play a significant role in the service industry, and people who make up this industry are professionally hired to perform tasks.

Home-based services are gaining more demand due to time, quality service, etc. Many companies are competitors providing home-based services; this study deals with Urban Company's home service provider.

### **About Urban Company**

The urban company, formerly Urban Clap, was established in 2014 by Abhiraj Singh Bhal, Varun Khaitan, and Raghav Chandra. The urban company operates in India, USA, UAE, KSA, Australia, and Singapore.

Urban company is one of Asia's most extensive and fast-growing web-based online home service platforms; its operating revenue increased 76.7% to Rs.437.6 crore during the fiscal year ending March 2022, as compared to March 2021, which was Rs.239 crore as per its annual financial statements with the Registrar of Company (ROC).

Urban Company Business model revolves around connecting service seekers with service providers. Urban Company provides a platform for skilled and experienced professionals to connect with users looking for specific services. It offers housekeeping and personal assistance, which includes: salon services, spa services, Appliance and repair services, cleaning and pest control, home painting, Disinfection service, etc.

### **Statement of the Problem**

In the service industry, Customer Satisfaction depends on Service Quality. Today's customers want easy life due to busy schedules, and they expect home-based services and personnel hygiene while protecting their best interests at the lowest possible cost. Due to the Nuclear family, the time factor, Dual career jobs, and customers' willingness to spend money to have quality time with their families, Customer expectation has changed towards home-based services through app services. This study is conducted to understand the Urban Company Service Quality Influence on Customers in Chennai.

### **Objectives of the Study**

- To know the Demographic Profile of Customers using Urban Company services.
- To understand the level of awareness of respondents about Urban Company services.
- To analyze the Influence of Urban Company Service Quality on Customers based on their demographic Profile.
- To Suggest Measures to improve the Services quality.

### **Hypothesis**

Ho: Urban company service quality is influencing customers.

H1: Urban company service quality is not influencing customers.

## Review of Literature

- Parasuraman, et al.(1985) . The quality of services and products became a prime factor in the 1980s. Marketers have measured the quality of tangible goods. But the quality of services could be more credible and defined. The study attempted to rectify this by reporting the insights recovered in an exploratory research study by developing a service quality model.
- Santos, J.(2003) mentioned that Service quality is progressively accepted as a significant aspect of electronic commerce (e-commerce). The technical features of products are costless, feasible, and more accessible than the likeness of products through traditional channels; service quality is the crucial cognitive factor for successful e-commerce.
- Lin, Lai, & Yeh (2007) identified that due to gaining competence in the service industry, companies are focussing on technological advancement and globalization to increase market share and improve customer expectations.
- Kumar, kee, and Manshor (2011) emphasized customers' High-level satisfaction. In-Service Industry, Service Quality is the primary concern in creating customer value.
- Kaura et al. (2012) discussed that service quality positively influences customer satisfaction, and as such, service quality is the significant determining variable to customer satisfaction.
- Paul, J., Mittal, A., & Srivastav, G. (2016) emphasized various service quality variables and the overall satisfaction level of customers comparing Private and public sector banks. The study concludes that positively associated service quality components differ in both public and Private sector banks.
- Pathak, R., & Salunkhe, P. (2018). They are studied with the objective to understand the expectations and satisfaction of the Urban Company customers in Pune. Simple random sampling was used, and data was collected from 145 respondents one sample test and an ANOVA test were used for the Analysis of data.
- Filieri R., et al. (2018), observed in the research study that an online review gives information to customers about service providers in the form of feedback. The study is based on dual-process theory, which investigates customer perception of the Information helpline and electronic word-of-mouth contexts. This service provides and builds the confidence of the customer to select the services most cost-effectively.
- Tamanna, T. (2020). has researched customer perception and Expectations of service quality in a private financial institution in Dhaka city, Bangladesh. The study concluded that the level of customers' expectations of service quality was higher than they perceived.
- Heemika Sharma (2020) studied the service quality of urban clap using the SERVQUAL model developed by Parasuraman, Aeithaml, & Berry to determine the gap between the perception and expectation of Urban company users in Rajasthan. The data obtained is analyzed through statistical tools using correlation and ANOVA on SPSS 20 software.
- Bayad Jamal Ali (2021) studied the literature on customer satisfaction and loyalty regarding the influence of service quality influence. The author concluded that Quality

service is a critical issue to customers and business owners, which affects customer satisfaction and can decide if a customer would return or not to buy the same product or service.

- Agus Purwanto (2022) The purpose of this study was to determine the effect of e-service quality on e-loyalty, digital leadership on e-loyalty, the impact of e-service quality on e-satisfaction and the development of e-loyalty on e-satisfaction in online e-commerce shops. The researcher has used quantitative methods with descriptive analysis techniques and path analysis. The results of his research prove that digital leadership has a positive and significant effect on e-loyalty, digital leadership has a positive and significant effect on e-satisfaction, e-service quality has a positive and significant effect on e-loyalty, e-service quality has a positive and significant effect on e-satisfaction and e-loyalty has a positive and significant effect on e-satisfaction in online e-commerce shops.

## **Material and method**

### **Sample and assessment instrument**

The research study was conducted using both Primary and Secondary Data, which are descriptive and analytical, with more emphasis on the analytical part. The study involves data collection from the respondents of Chennai using a structured questionnaire in Google form and through interviews. Responses focused on the demographic Profile of respondents with their awareness and how Urban Company service quality influences Customers were analyzed.

The primary data sources of the research study specifically include the administration of questionnaires and personal interviews. In contrast, secondary data was focused entirely on collecting data from the Website of Urban Company, Research Papers, Journals, Publications, Newspapers, and social media.

Figure 1 shows the location of the study. The survey data was collected from Chennai city, Tamilnadu, India, at latitude 13.0827° N and longitude 80.2707° E. Chennai is the capital city of Tamilnadu state in the Indian subcontinent. It is one of the largest cities in the area and has a population as well. Chennai is the sixth-largest urban city in India by people and the 30th-largest city in the World (Department of Economic and Social Affairs 2019). Geographically Chennai is well connected with all modes of transport by road, rail, air, and sea. It has an international airport and seaport. It is divided area-wise into north, south, and central Chennai. So considering all the geographical and demographical factors, we consider Chennai the study area. Specifically, South Chennai populations are considered for data collection, which has the more urban population, software industries, and developing infrastructure (Electronics Corporation of Tamil Nadu Limited 2015). The Census is an official government count or survey to determine the population. The census of Chennai, Tamilnadu, has to be undertaken every ten years. It was last taken in 2011 when the population was around 4.6 million (Department of Economics and Statistics 2020). In 2023, it is forecasted at 11.5 million (Department of Economic and Social Affairs 2019).

For Analysis and interpretation, the sample size selected for the study is 136 from Chennai’s south zone. The purposive sampling method has been used to collect the data as the respondents are exclusively urban company users. Questionnaires were distributed through Google Forms to 152 respondents, but the filled Google forms were received from only 136. Hence the size of the sample is 136.

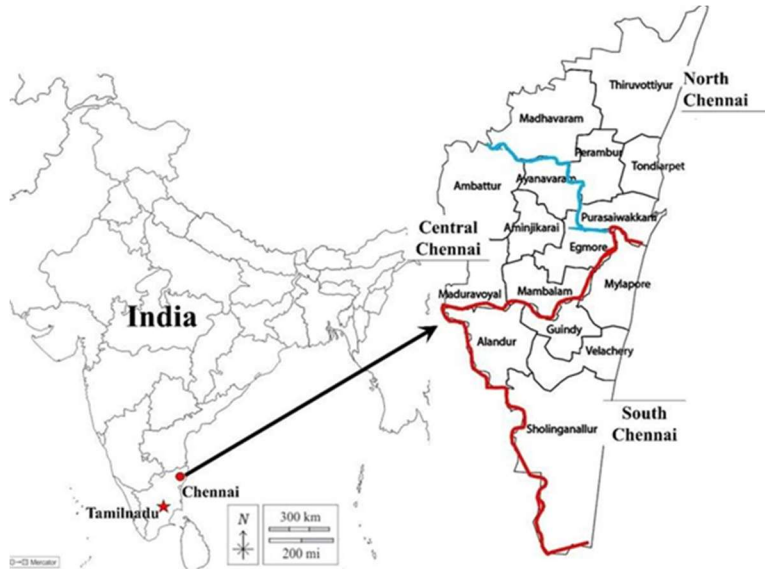


Figure1. Study area administrative boundary  
 (“[https://D- Maps.Com/m/Asia/India/Inde/Inde16.Svg](https://D-Maps.Com/m/Asia/India/Inde/Inde16.Svg)” n.d.)

**Statistical Tools and Techniques**

SPSS 16.0 version is used for data analysis. Descriptive Statistics and ANOVA were used to test the hypotheses to determine how the Urban Company service quality influences customers.

**Demography profile**

The Demographic profile is used to understand the background characteristics of respondents better. The demographic profile of the respondents consists of variables such as gender, age, and monthly income.

**Table 1**

**Descriptive statistics of the Demographic Profile of respondents:**

Variables	Items	Percentage
Gender	Male	48.53%
	Female	51.47%
Age of respondents	18-30 years	29.4%
	31-45 years	44.9%

	46-60 years	21.3%
	61-70 years	4.4%
Income of respondents	Upto Rs.25000/-	11.8 %
	Rs.25000/- to Rs.50000/-	33.8 %
	Rs.50001/- to Rs.75000/-	47.1 %
	Rs.75001/- to Rs.100000/-	6.6 %
	More than Rs.1,00000/-	0.7 %
Total		136 respondents

From Table 1, it is found that the majority of the respondents are females between the age group 31-45 years whose monthly income ranges between Rs.50000/- to Rs.75000/-

**Table 2**  
**Customer Level of Awareness towards Urban Company Services**

Variables	Items	Percentage
Gender	Male	66%
	Female	70%
Age	18 to 30 Years	40%
	31 to 45 Years	61%
	46 to 60 Years	29%
	61 to 70 Years	6%
Income level	Upto Rs.25000/-	16%
	Rs.25000/- to Rs.50000/-	46%
	Rs.50001/- to Rs.75000/-	64%
	Rs.75001/- to Rs.100000/-	9%
	More than Rs.1,00000/-	1%

From Table 2, it can be interpreted that both males and females are equally aware of urban company services.

Respondents aged 31 to 45 years are highly aware of urban company services.

Respondents with an income level of Rs.50000/- to Rs.75000/- are more aware of urban company services.

**Table 3**  
**Respondent's awareness through various sources based on gender**

<b>Gender</b>	<b>Male</b>	<b>female</b>	<b>total</b>
TV Ads	19	22	41
Social media	25	25	50
Print media	3	2	5
Reference groups	17	18	35
others	2	3	5
<b>Total</b>	<b>66</b>	<b>70</b>	<b>136</b>

From Table 3, it can be interpreted that both males and female got aware of the urban company through social media

**Table 4**  
**The Influence of Urban Company Service Quality on Customers Based on the Gender of Respondents**

<b>Gender</b>	<b>Mean</b>	<b>N</b>	<b>Standard Deviation</b>	<b>% of Total N</b>
Female	108.78	70	9.307	51.47%
Male	105.72	66	8.564	48.53%
<b>Total</b>	<b>107.25</b>	<b>136</b>	<b>9.041</b>	<b>100.0%</b>

There is variation in Mean and standard deviation values in Gender wise Influence on service quality of Urban Company on customers. The mean and standard deviation levels are high with respect to females in comparison with males.

**Table 5**  
**ANOVA Table based on Gender wise influence on service quality of Urban Companies**

<b>Particulars</b>	<b>sum of squares</b>	<b>Degree of freedom</b>	<b>Mean square</b>	<b>F</b>	<b>Significant value</b>
v1 * Gender	318.118	1	318.118	3.977	0.48
Between Groups(Combined)	10717.382	134	79.980		
Within Groups	11035.500	135			
<b>Total</b>					

The ANOVA tests from the statistical point of view. The ANOVA table results reveal the significant relationship since the p-value (0.048) is less than the alpha value (0.05). There is a significant difference in the Gender wise Influence on the service quality of Urban Companies.

**Table 6**  
**The Influence of Urban Company Service Quality on Customers Based on the Age of respondents**

Age	Mean	N	Std. Deviation	% of Total N
18 to 30 Years	107.18	40	9.798	29.4%
31 to 45 Years	106.85	61	8.899	44.9%
46 to 60 Years	107.62	29	7.912	21.3%
61 to 70 Years	110.00	6	12.066	4.4%
Total	107.25	136	9.041	100.0%

The highest mean value is with 61 to 70 years age respondents. The highest standard deviation level is 61 to 70 years and 18 to 30 years respondents.

**Table 7**  
**ANOVA Table based on Age wise influence on service quality of Urban Companies**

Particulars	sum of squares	Degree of freedom	Mean square	F	Significant value
v1 * Age Between Groups(Combined)	59.225	3	19.742	.237	.870
Within Groups	10976.275	32	83.154		
Total	11035.5	135			

P value is more significant than 0.05; it can be interpreted that age-wise, there is no significant difference in service quality of Urban company.

**Table 8**  
**Income-wise Impact on service quality of Urban Company**

Income	Mean	N	Std. Deviation	% of Total N
Upto Rs.25000/-	108.31	16	9.534	11.8%
Rs.25000/- to Rs.50000/-	107.02	46	10.563	33.8%
Rs.50001/- to Rs.75000/-	107.09	64	8.250	47.1%



Rs.75001/- to Rs.100000/-	106.00	9	3.708	6.6%
More than Rs.1,00000/-	122.00	1	.	.7%
Upto Rs.25000/-	107.25	136	9.041	100.0%

The highest mean value is above 1 lakh income level, and the lowest is 75,000 to 1 lakh Rupees of income. There is the highest level of standard deviation at 25k to 50k, up to 25k, and 50k to 75k levels of income.

**Table 9**

**ANOVA Table based on Income wise influence on service quality of Urban Companies**

Particulars	sum of squares	Degree of freedom	Mean square	F	Significant value
v1 * income Between Groups(Combined)	253.647	4	63.412	0.770	0.546
Within Groups		131	82.304		
Total	10781.8	135			

The ANOVA tests the income-wise Influence of service quality of Urban companies on customers. However, the F statistic is found insignificant since the p-value (0.546) is more than 0.05.

**Suggestions**

1. The prices chargeable for the offered services could be reachable to low- to medium-income customers. Hence if the prices are fixed at the slightly lower range, Urban Company's customer baseline will improve.
2. Based on the current requirement and future expectations because of professional development and tight time schedules, if comprehensive services are available regularly, then the customer's complete needs can be fulfilled instead of piecemeal services.
3. The pre-booking call service center will help customers know the right mix of service providers.
4. Improved grievance handling cell services solves customers' problems.
5. Referral programs will motivate existing customers and attract prospective and potential buyers.

**Conclusion**

Online home-based services provided by skilled professionals are beneficial for all types of work like plumbing, electrical, sanitary, and carpentry works under one app with only a finger tap. The research study is based on understanding Urban Company's services to provide online home-based services. The study is conducted to understand the influence of Urban Company service quality influence on Customers in Chennai. Urban Company provides quality services. Urban Company services enable customers to benefit from easy life despite busy schedules. The company is giving home-based services with personal hygiene by protecting the customers' interests with reasonable charges. The study concludes that Urban Company creates good awareness among the public. Urban Company's service quality influences its customers to use its services.

### **Scope for further research**

The study covered only Urban Companies, but now the emergence of competitors in this field gives scope for a comparative study with competitive companies.

The study is limited to Chennai's south zone only but has scope to study in other Chennai zones and other cities.

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