

The Impact of Service Providers on Ensuring Service Quality and Customer Satisfaction^a

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Abstract

Service quality and customer satisfaction are generally perceived as key influences in the formation of customers' purchase intentions in service environments. Nonetheless, a review of the existing literature suggests that the specific nature of the relationship between these important constructs in the determination of customers' purchase intentions continue to elude marketing scholars. This conceptual study has been conducted in the form of a literature review. The major determinant of customer loyalty is based and it's depending on how the relationship between the services been provided and offered to the customer is of good quality and if the customer is being satisfied with it.

Keywords: Service Quality, Customer Satisfaction, Customer Loyalty, Service Providers.

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1. INTRODUCTION

Service quality is defined as various consumers rating of the overall excellence or superiority of the service offered (Ueltschy, Laroche, Eggert and Bindl, 2007). Satisfied customer rather tells and inform people about good and adequate services they experience, while a dissatisfied customer always have the tendencies to complain to even more people than a satisfied customer does, and this is because customer satisfaction is a very critical success factor for measuring the level of commitment and loyalty customers have in the service organizations and also a key to the building of lasting relationships with consumers (Ogungbayi, Olatidoye and Agbebi, 2019). In the today's ever-increasing competitiveness globally in the market place of service providers and dynamic growth in the hospitality industry various outlets such as hotels, motels, guest houses, inns are already being introduced by the service providers into the market thereby it brings about increment in the demands of customers as they require improved excellent service been offered to them (Martin, 1995). To assure quality service by service providers, all service providers and organizations must be readily committed to doing this and also, they must involve and indulge all their employees to do the same (Gorla, Somers and Wong, 2010). As we know that customer satisfaction is a big motivational factor that leads and results to winning the loyalty of customers to a product or service. And satisfaction regarding to the hospitality industry and providers of services that deals with the aspect of providing hospitable products, goods and services to customers such for an example has to do with both unmistakable and elusive items and services which guarantee satisfaction in the following areas such as beverages, foods, and drinks, level of services, level of cleanliness and hygiene, value for money and atmosphere all these sum up to the meal experience. "A complete quality customer satisfaction is a participative cycle that enables all levels of employees to work in groups to establish guest expectation and determine the best way of meeting or exceeding those expectations (Fornell and Anderson, 1996). Quality service has been found to be an important input to customer satisfaction (Bateason, 1991). In this extensive study carried out to know the relationship between service quality and customers satisfaction in achieving customers' loyalty the study has showed us that all these three are interjecting to each other as service quality leads to customer satisfaction and the end product of these two factors is customer loyalty.

Satisfied customer tells people about a good experience from a product or service, while a dissatisfied customer complains to even more people about the poor performance or disappointing experience of a product or service, this is because service quality and customer satisfaction is a critical success factor to the growth of any business and a key to building lasting relationships with consumers. This gave rise to the purpose of this research work which is to examine the use of service quality by service providers to influence the level of customer's satisfaction and customer loyalty in their business.

The purpose of this study is to extensively examine the relationship between service quality and customer satisfaction which influences customer loyalty towards the service providers and also to provide an understanding of what quality service entails in modern day businesses. In the wake of the current global Covid-19 pandemic, service quality and customer satisfaction both becomes a very important subject of discussion which businesses must understudy and adopt on the road to recovery from the scars of the global pandemic. The study was also structured to elaborate the

relevant empirical and theoretical evidence supporting the conceptual framework and to give meaningful conclusions as regards the subject matter.

2. LITERATURE REVIEW

2.1. Service Quality Concept

The perceived relative service quality is essential to the success of any service organization. Since we know that customers and consumers of provided services and goods partake in the delivery and consumption of such services that's been provided by the service provider, so due to this they interact closely and adequately with various service aspects in organizations (Caruana, Money and Berthon, 2000). This knowledge offers them the opportunity to evaluate critically the services provided by organizations. Customers evaluate service quality by comparing the level of service they receive with their desired level of service. Thus, high service quality plays an important role in adding value to the overall service experience (Shahin, 2010). Service quality is an attitude towards or a general belief on the provision of superior service. To be globally competitive service industries need to offer a quality of service that exceeds the expectations of consumers. Service quality is a major determinant of an organization's downfall or achievements (Abdullah and Rozario, 2009). These authors further opined that service quality is influenced by expectations, process quality and output yield quality. In other words, the standard of service is subject to the customers who have experienced such service and who use their experience and emotions to make a judgment. This is the overall assessment of services by customers (Ramseook-Munhurrun, Lukea-Bhiwajee and Naidoo, 2010). By defining service quality, businesses will be able to deliver services with a high level of quality presumably resulting in increased customer satisfaction and loyalty (Gorla, Somers and Wong, 2010).

2.2. Customers' Satisfaction

It is imperative to know that satisfaction is an attitude or assessment that is formed by customers due to the level of quality services they received in any visited organizations they've been to and comparing both their pre-purchase expectations of what they would get or what they got from the products and services to their subjective perceptions of the quality of the services provided. Satisfaction is one's feeling of pleasure or dissatisfaction resulting from comparing a product's perceived performance in relation to his or her expectations (Kotler, 2000). Furthermore, Cronin and Taylor (1992) also stated that customer satisfaction is a collective result of perception, assessment and psychological reactions to the consumption experience of customers on a product or service. The most important concept of customer satisfaction that is acknowledged all around the world is the expectancy disconfirmation theory (Barsky, 1992). Satisfaction is usually encouraged when the expectations of customers are always exceeded due to the high quality level of product and services been provided and offered by service providers is better than their expectations, this is in other words is called (positive disconfirmation), and whereas (negative disconfirmation) is the word we call it when the product or services level is not achieved and below the expected quality services and products that the customers are expecting (Bromley, 2002).

2.3. Customers' Expectation

Yang, Kim, Shin and Kim (2000) opined that customers' expectation is made up of many uncontrollable factors and determinants which most times includes the previous experiences with other services they have once received, and the mode of advertisement used, so customers' psychological condition at that point of service delivery, customer background and values and the images of the items or products purchased is already been determined and created within customers. He further proposed that customer service expectation is built around complex considerations, which includes customer's pre-purchase beliefs and other people's opinions about the product or service. Likewise, Miller additionally expressed that customers' expectation is related to different levels of satisfaction. It may be based on previous product experiences or learning from advertisements or even word-of-mouth communication. The different variety of expectation definitions can be inferred that expectation is uncontrollable factors which include past experience, advertising, and customers' perception at a particular time of purchase, background, attitude and product's image. More so, the influence of customers' expectation is pre-purchase beliefs, word of mouth communications, individual needs, customers' experiences, and other personal attitudes. Various customers have different expectations based on the customers' knowledge or idea of a product or service.

2.4. Customer Loyalty

Customer loyalty can be characterized in two distinct ways. Different things may cause an individual to develop an overall connection or attachment to a brand product or service. Customer loyalty is often assessed by an individual's willingness to repurchase a Product, willingness to recommend the product to others (Han, Hsu and Sheu, 2010). Kandampully and Suhartanto (2000) characterized the customer loyalty in their research as "customer who re buys from the same service provider whenever possible and who continues to suggest or recommend the product to other customers. He further stressed that customer loyalty has two distinctions, first is the behavioral aspect of customer's loyalty and the other is attitudinal in nature. The behavior loyalty refers to when the customer intends to repurchase the product or services from the service provider or brand over time (Bowen and Shoemaker, 1998), while, attitudinal loyalty refers to when the customer intend to repurchase and as well as recommend the product or service to others which may include their friends and family this represents a good sign of customer loyalty (Leninkumar, 2017). Most investigative researches have hence suggested that there is a distinct relationship between customer satisfaction and customer loyalty (Zeithaml and Bitner, 1996). Nevertheless, service quality studies by Brodie, Whittome and Brush, (2009) show that higher service quality will lead towards higher and positive customer repurchase behavior and satisfaction.

2.5. Service Quality Determinants

In the mid-1980s Berry and his colleagues Parasuraman, Zeithaml and Berry (1985) and Stanley and Wisner (2002) began to study service quality determinants and how customers evaluate the quality of services based on the Perceived Service Quality concept. There are 10 determinants found to characterize customers' understanding of the service quality. One of the determinants, that is creditability, is much related to the brand image aspect of perceived quality and another determinant, competence, is also related directly to the technical quality of the result, However, it

is therefore imperative to note that the other determinants are more or less interconnected to the process dimension of perceived quality (Grönroos 2005).

Consequent to the previous study analysis, the 10 service quality determinants were reduced to the following five (Zaim, Bayyurt and Zaim, 2010):

1. *Tangibles*. This determinant is directly linked to the appeal of facilities, products and equipment's used by a service organization as well as the input or help of service employees.
2. *Reliability*. This service quality determinant ensures that the service firms provide her customers with accurate service the first time without making any errors and with excellent delivery of what has promised by the service provider.
3. *Responsibility*. This determinant ensures that a service firm's employees are able to provide assistance to customers and respond to their demands as well as notify customers when service is being delivered, and then provide timely excellent services.
4. *Insurance*. This refers to the actions of the employees which gives consumers trust and assurance in the business and make the company generate a comfortable feel around it for her consumers. It also means employees are still courteous and have the expertise required to meet customer demands.
5. *Empathy*. This service quality determinant ensures the company knows the concerns of consumers and works in their best interests, as well as giving individual personal attention to customers and providing flexible working hours.

2.6. Distinguishing the Relationship between Service Quality and Customer Satisfaction

The relationship between customer satisfaction and service quality is the customer's loyalty to the service provider. If the service provided is of high quality there is high possibility that the customers will be satisfied, and hence when there is customer loyalty it means the customers' recovery rate is of high quality. Since customer satisfaction is perceived to be focused on the customer's experience of a specific product or service interaction (Cronin and Taylor, 1992), it is consistent with the proposed theory that quality of service is a determinant of customer satisfaction and the outcome is the customer being loyal to come back for the product or service, because service quality comes from outcome of the services from service providers in businesses. With respect to the relationship between customer satisfaction and quality of service, Oliver (1980) first proposed that quality of service would precede customer satisfaction regardless of whether these definitions were collective or transaction-specific. Some scholars have found empirical evidence for the above point of view (Anderson, Fornell and Lehmann, 1994), where customer satisfaction came as a result of service quality. Researchers and scholars alike have been more distinct or specific about the definition and measures of satisfaction and quality of service when comparing customer satisfaction and quality of service. Satisfaction and quality of service have certain aspects in common but satisfaction is usually a wider term, whereas quality of service focuses more specifically on service measurements (Hernon, Nitecki and Altman, 1999) but when service quality is achieved it leads to customer satisfaction and the end product is customer loyalty. The diagram below explains precisely this relationship.

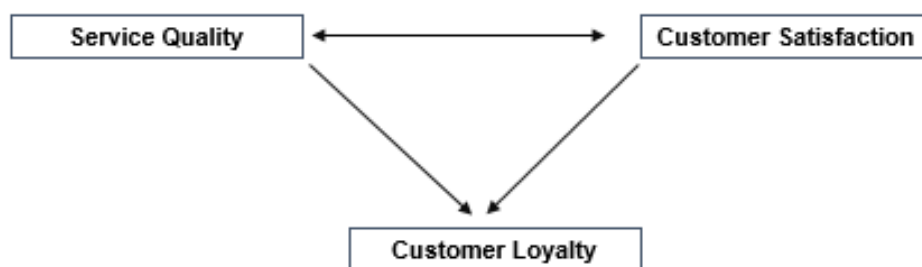


Figure 1. A representation of the relationship between service quality and customer satisfaction.

Figure 1, above shows that both service quality and customer satisfaction has a significant effect on customer loyalty. Consumer satisfaction becomes a success when the needs and expectations of customers are met, Customer satisfaction encourages customers to re-purchase a product and a level of commitment to a particular brand (Fornell, 1992). A research conducted by Akbar, Som, Wadood and Alzaidiyeen (2010), showed that the quality of service provided and customer satisfaction has an effect on customer loyalty.

2.7. Factors That Indicate Customer Loyalty to a Business

Competitive Advantage : When there are many competitors in the same area where services are been provided such as the hospitality business and there are some set of particular customers that no matter what they would definitely come to your business to patronize you then you know those sets of customers are loyal to you and your business because despite the competitions in the environment they still stick to your business this would show and make you know that they're loyal to you this research made us find out this that the competitions surrounding a service provider is a major perspective we've to put into consideration when measuring customers loyalty by relating customer satisfaction and service quality (Huang, Dyerson, Wu and Harindranath, 2015).

Location: Another major issue to look into is the area of establishment of such service provided if a service is provided where only some certain people can afford it then definitely customers would keep the business even if the quality of the service provided is nothing to write home about, so due to the area this service provider is there's a definite reason that definitely most set of customers that can afford this would surely keep on patronizing them. Hence due to this research we were able to identify this also that so many factors could lead to huge patronage of a particular service provider and this could be misleading as some service providers may feel the customers are loyal to them without knowing that the high patronage rate is as a result of the location of business rather than the actual quality of service provided as there is a high possibility of low customer ratio when a more competitive service provider moves to same business location with much improved quality (Porter, 1994). **Cost of Product or Service:** The cost of product or service provided is also an important factor as this determines customer loyalty to a business. The cost of service being provided is vital in measuring customer's loyalty as the fee of product or

service also determines customers loyalty and satisfaction if the fee is targeted at some particular set of people definitely those set of people would be coming to patronizing the service provider due to the cost of service (Huang, Newnes and Parry, 2012).

3. DISCUSSION

Quality in service by definition is the degree of difference and direction between the perceptions and expectations of customers towards a particular brand or business. As for customer satisfaction, this can be described as the degree to which an experience is believed to elicit positive feelings or perception of a service or business (Anood, Hani and Zu'bi, 2012). In most cases of service industries, customer satisfaction is of vital importance in providing excellent satisfied services as it exposes the level of satisfaction a customer derives in the service provided and the willingness for these customers to come back (customer loyalty). Perception of the service provider is the provision of both tangible and intangible products and services notwithstanding if it satisfies the customers or not. Empirical findings by Tijani, Okunola and Orga (2012) shows that service providers such as hoteliers etc, pay more attention to provision of tangible products and services and less attention to the ratings of the products and services. However, service quality is a very crucial element that all service providers in given business industry should concentrate in order to induce satisfaction in customers in addition to promoting retention behavior in them. Regardless of their size, they need to give high prominence to this fact as in the case of service providers so as to enhance their business in terms of revenue and growth. Exploring customer's perception and the level of service quality it derives, it can be interpreted that if satisfied customers are likely to return to the same premises, it guarantees a loyal customer base for future smooth running of the company. Finally, having an understanding of how consumers perceive quality of service and being able to measure it can benefit the management of a service providing firm. Measuring the quality of service will further help the management of these providers with accurate data which can be used to track and sustain an improved quality of service. This will nevertheless help them recognize those with strengths and weaknesses, and thus make possible necessary changes.

4. CONCLUSION

In conclusion, findings from this study reveal that the key to achieving a sustainable service quality is meeting or even exceeding consumers' expectations on the service brand and the assessment of high and low service quality depends on how customers view real performance in the context of what they expected. Siagian, (2020) proposed that for businesses to maintain a competitive cutting edge, they must move quickly to identify and meet with customer expectation, by getting it right first time, then the entire customer/supplier chain will hence focus on addressing external consumer expectations and thus ensuring customer loyalty. The study revealed that by service providers offering various high quality of services will result to customer satisfaction in the provided service thus resulting to customers' loyalty. It also revealed that staff experience and professionalism play a significant role in quality service that guarantees customer satisfaction. Finally, customer perception of the quality of service offered by service providers should accord

necessary recognition to professionalism and staff training to ensure their resolve towards achieving customer satisfaction and customer loyalty.

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