A CONCEPTUAL STUDY ON THE CONSEQUENCES OF SERVICE QUALITY DIMENSIONS ON CUSTOMER SATISFACTION

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ABSTRACT:

In today's competitive scenario consumer satisfaction is the first priority. Customer satisfaction and service quality both are most widely studied constructs. Organizations are working hard to provide the quality of service to their customers in order to attain their satisfaction and loyalty. This study was destined to find the impact of service quality on customer satisfaction. Organizations to increase the number of their customers, their loyalty, revenue, profit and market share and subsequently increased survival, attempt to assess customer satisfaction in their business. The organization should aim not only at satisfying the consumer but also focus on the delighting them. Customer satisfaction moderates impact of service quality on behavioral intentions of customers. Quality of service is an important element in determining the success of an enterprise service. Factor "satisfaction" depends on the service provider's ability to meet the norms and expectations of customers.

Keywords: Customer Satisfaction, Service Quality, Expectations, Performance

I. INTRODUCTION

Todays, intensive competition, technological developments, new social trends, dynamic economic environment are factors that have faced enterprises with wide fluctuations. Because of strong impact of customer demands on the organization, special attention is required. In a competitive environment, organizations are able to grow only if they provide customers satisfaction. In fact, if the environmental uncertainty and instability increase, the attention to customer needs and ideas for survival, growth and continuity of organization would be more essential. Attention to customer demands is a prominent feature of modern organizations. There is no doubt that the organizations will win and succeed that recognize customer needs and wants faster and better than the competitors and produce and provide their products consistent or exceed customer's expectations (Pirayesh Neghab,Daneshvar,2011).

The characteristics of service quality which is intangible, heterogeneity, inseparability and perishability (Parsuraman, 1985), cannot be measured objectively (Patterson and Johnson, 1993). However, many researchers stated that service quality can be measured by making the comparisons between customers' expectations and perceptions (Zeithaml et al, 1990). The authors have distinguished the service quality into four types namely expected service; desired service; adequate service; and predicted service. Expected services are the services that customers intend to obtain from the service provider. Desired services is the level of service which the customer wish to obtain. Adequate service refers to the minimum level of services expected from the service provider and finally, predicted services is what the customers believe the company will perform. O'Neil and Palmer (2004) also define service quality as the difference between what a student expects to receive and his/her perceptions of actual delivery. This definition is similar to the one advocated by Zeithaml et al, (1990)

According to A. Parasuraman, V.A.Zeithaml, and L.L.Berry, it is during the service delivery that the quality of services is assessed and the contact with each customer implies as a chance to satisfy or dissatisfy the customer, a moment of truth. They defined customer satisfaction with regards to service as 'by comparing

perceptions of service received with expectations of service desired.' They also mentioned that an excellent quality of service is perceived when expectations are exceeded and on the other hand, service quality is considered as unacceptable when expectations are not met. Lastly, quality is satisfactory when perceived service confirmed expectations.

Any products and services are to satisfy and resolve customer needs and customers are a guarantee for survival of manufacturers and service providers. Todays, marketing consists of developing customer, meaning attention to customer satisfaction and quality, their loyalty and effective communication with them. Therefore, organizations attempt to have satisfied and loyal customers (Gremler and Gwinner, 2000). Organizations to increase the number of their customers, their loyalty, revenue, profit and market share and subsequently increased survival, attempt to assess customer satisfaction in their business. Customer satisfaction for organizations that wish to create a competitive advantage in the today's extremely competitive world is a key issue. Therefore, many researches and funding have been to identify the proper evaluation of customer satisfaction (Mohammadnejad and others, 2011).

Service quality is now of major concern to industries such as the tourism/hospitality industry, which are basically 'peopleoriented'.
In the service industry, definitions of service quality tend to focus on meeting customers' needs and requirements and how well the service delivered meets their expectations (Lewis and Booms, 1983). In order to deliver and maintain service quality, an organization must first identify what it is that constitutes quality to those whom it serves (Gronross, 1984). Gronross (1984) classified service quality into two categories: technical quality, primarily focused on what consumers actually received from the service; and functional quality, focused on the process of service delivery.

Service quality characterised by the following aspects:
- is multidimensional,
- has underlying quality dimensions, some of which change over time;
- is intangible, although it is often assessed through tangible clues;
- is the result of both service processes and service outcomes;
- depends on the difference (gap) between customer expectations and perceptions

The central link in most service strategies is quality, which has been a major issue for many years, dating back at least to Deming's work in Japan in the '50s.
Solomon et al. (1985) concluded that a customer assesses quality by his or her perception of the way in which the service is performed. As a result, service quality has been defined as the outcome of a comparison between expectations of a service and what is perceived to be received (Czepiel et al., 1985; Parasuraman et al., 1985). The gap between expectations and perceptions of performance determines the level of service quality from a consumer's perspective.

Johnston and Morris (1985) argue that service organisations tend to measure only what is easy to measure and quantify, and shy away from the use of soft, qualitative measures. Kaplan (1983) argues satisfaction. Whilst the measurement of customer service perceptions are now widespread in tourism/hospitality, an understanding of managements' perception of guest expectations, as well as staff responses to such management expectations, are yet to be explored. Hochschild (1983) has described the work performed by service providers as 'emotional labor' that requires them to subsume their own feelings to the goals of their employer and the immediate needs of a paying customer.

Indeed, she described service encounters as the commercialisation of human feeling, and warns of the individual and social effects that may engender. Klaus (1985) has described service encounters as interlocking behaviour composed of task and 'ceremonial' elements, in which the former are the economic exchange elements and the latter the psychological need satisfaction that provider and customer provide each other.

Parasuraman et al. (1985) identify over 200 attributes of service quality. The pool of attributes was derived from an extensive series of interviews with customers in four different commercial services. Using

factor analysis, five main dimensions of service quality were identified. They were: tangibles, reliability, responsiveness, assurance and empathy. The importance of the above dimensions in understanding service quality cannot be underestimated.

However, comparing service expectations with service perceptions has offered a more insightful perspective. Perceptions of quality by those who provide services and those who consume them have often been reported to differ (Parasuraman et al., 1985).

II. CUSTOMER SATISFACTION

Satisfying customers is one of the main objectives of every business. Businesses recognize that keeping current customers is more profitable than having to win new ones to replace those lost. Management and marketing theorists underscore the importance of customer satisfaction for a business's success (McColl-Kennedy & Schneider, 2000; Reichheld & Sasser, 1990). Accordingly, the prestigious Malcolm Baldrige National Quality Award recognizes the role of customer satisfaction as the central component of the award process (Dutka, 1993).

Customer satisfaction can be defined in various situations that are associated with goods and services. Customer satisfaction is feeling or attitude toward a product or service after its use. Customer satisfaction is the result of between marketing activities that acts as a communication bridge between different stages of consumer buying behavior. Customer satisfaction is the result of a comparison between customer purchase of the expected performance with actual performance and perceived and payment expenses (Taghizadeh, 2012). Customer satisfaction is a physical concept that is due personal comparison from understanding of product performance with the experience obtained of the performance (Chu, 2002). There is direct relationship between customer satisfaction and willingness to loyalty to the company. Whatever close relationship with the customer company's employees is greater, thus will be customer satisfaction to the company and strong relationships customers and corporate employees who are more satisfied than other people (Gremler and Gwinner, 2000). Understanding customer satisfaction in the organization should be considered as a major issue. As part of this strategy, product definition and service and the needs of customer and prepare a list of data and customer complaints and the selection of process is important. Basic questions include: What do we provide product or service? Who are our customers? What do they want and need? Is it measurable? What is needed to improve the process? By answers to these questions will have a better understanding of customer continuously and products and services to adapt to market needs would be better (Rampersad, 2001). As has already been noted, satisfaction has been concern for a number of years and is generally recognised as a post purchase construct that is related to how much a person likes or dislikes a product or a service after experiencing it.

It can be defined as an evaluation that an "experience was at least as good as it was supposed to be" (Hunt, 1997). Satisfaction is a response to a perceived discrepancy between prior expectations and perceived performance after consumption. Consequently, managers need to understand how expectations are created and how these expectations are influenced by people's consumption experiences.

Customers are assumed to have developed expectations prior to use, and perceived performance is compared to these expectations on a "better than" or "worse than" model.

Oliver (1981) defined satisfaction as a "summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience" (p.27). Oliver (1997) pointed out that satisfaction encompasses more than mere fulfillment. It describes a consumer's experiences, which is the end state of a psychological process.

Satisfaction has become a central concept in modern marketing thought and practice (Yi 1990). Many studies have made significant contributions to better understanding this complex phenomenon (Bearden and Teel 1983; Oliver 1980, 1989; Spreng et al. 1996; Williams 1988). Achieving visitor satisfaction is one of important goals for most tourism service businesses and organizations today (Jones

and Sasser 1995). Increasing customer satisfaction and customer retention generates more profits, positive word-of-mouth, and lower marketing expenditures (Reichheld 1996; Heskett et al. 1990).

Satisfaction is a visitor's affective and evaluative response to the overall product or service experience (Oliver 1997). What visitors received from the investment money, time and other resources on a trip or a visit) are psychological benefits. Thus, it is an experience that tourists receive from a visit with tangible goods (Mathieson and Wall 1982). It is also more likely that satisfied visitors will return and say positive things about a service (Tian-Cole et al. 2000).

Improving the quality of service attributes as well as improving the emotional and psychological reactions that visitors obtain from service experiences are considered important to commercial and public tourism businesses and organizations. As Otto and Ritchie (1996) stated: the intimate, hands-on nature of the service encounter itself affords many opportunities for affective response… it has long been acknowledged that human interaction itself is an emotionally-charged process.

Although satisfaction and service quality have a common features but satisfaction has the broader concept than quality generally, because focuses on services dimensions. The service quality is considered as part of satisfaction. Service quality represents a customer's perception from five dimensions of service, while satisfaction is more pervasive and including quality of service, product quality, price and also situational factors and personal factors (Seyed Javadin, 2009).'

III. QUALITY SERVICE

From the viewpoint of business administration, service quality is an achievement in customer service. It reflects at each service encounter. Customers form service expectations from past experiences, word of mouth and marketing communications. In general, customers compare perceived service with expected service, and which if the former falls short of the latter the customers are disappointed. Since the role of service was evident in everyday life, also categories of service quality as main characteristic of competition between organizations was considered, So that considering quality of service, organization made different from its competitors and is caused competitive advantage (Hosseini & et al, 2010). Gronroos (2000) defines service:" a service is an activity or series of activities of more or less intangible that are usually done and not necessarily in the interaction between of customer and staff or physical resources or goods and or supplier systems for services but are provided as solutions to customers problems (Gronroos, 2000). But concept of service quality based on the opinions Parasuraman (1985), quality of service is based on a comparison between what customers feels should be offered to him/her, and what is actually provided him/her (Shao Yah and Li, 2009) Elsewhere he defined service quality as sustained compliance with customer expectations and understanding customer expectations from particular service. Othman and Owen (2002) believed that service quality shows the degree of difference between the perceptions and expectations of customer services (Othman and Owen, 2002).

Today, quality of service plays a crucial role in the success of the organization in creating competitive advantage and increase competitive power (Rod et al.., 2009). In Gronroos opinion (1998) the perceived quality of service meets two dimensions of technical (outcome) and operational (process-oriented). He believes that technical dimension of service is what the customer gets from service and is measurable so as objective, because it is what customers sees in the end of serving process.

On the other hand, the functional quality associated with how to get service and is not easily measured and also understood by the client mentally. In other words, the technical quality is the practical result of the service while the operational dimension quality shows process how service provided. He expressed six specifications for the perceived quality of service to guidance for other empirical research and conceptual: Expertise and skills, attitudes and behavior, accessibility and flexibility, reliability and confidence, improved service and reputation. Other researchers have presented evidence that customers perceptions from service quality is based on his/her assessment from performance of organization in different levels and finally, customers can combine assessment obtained to their perception from quality of

service received identified. it can be stated that several dimensions affect the overall quality of service, customer expectations from each of these factors is also different as well as the impact of customer expectations on understanding overall quality of service. Santos and Boote (2003) says because both structure of satisfaction and quality of service have the field related to cognitive expectations and evaluations, in theory can link these two concepts with regard to factor of expectations. The distinction between customer satisfaction and service quality are considered an important issue for managers and service providers need to provide high quality services to meet customer satisfaction as their business objectives (Santos and Boote, 2003). Increasing customer satisfaction leads to behavioral outcomes such as commitment, a desire to remain a two-way link between the service provider and the customer, increasing customer's tolerance to failures in service delivery and positive oral advertising about organization (Hosseini & et al, 2010).

IV CONSEQUENCES OF SERVICE QUALITY
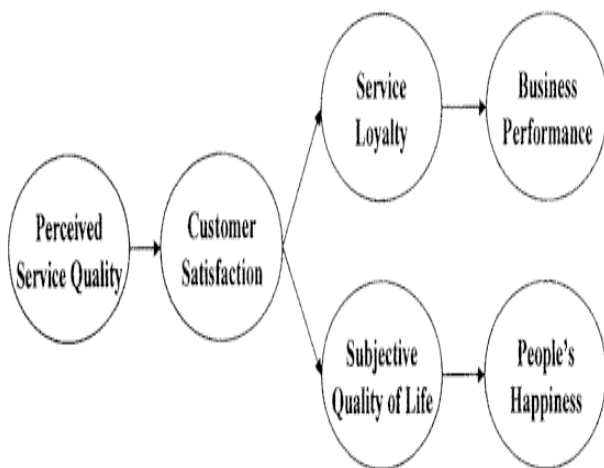

FIGURE 3
Conceptual model

Figure 3 illustrates the conceptual model of consequences of service quality.

The conceptual model posits relationships among, perceived service quality, customer satisfaction, business performance, and people's happiness. Perceived service quality is expected to have a positive effect on customer satisfaction (Iacobucci, Ostrom and Grayson 1995). Business performance often consists of customer acquisition and retention (Rust and Zahorik 1993, Yi 1990), and these variables are affected by customers' intention to repurchase and to spread positive word-of-mouth, which can be defined as service loyalty.

The service quality is also expected to enhance subjective quality of life and peoples' general happiness; that is, the higher service quality is, the higher consumption life and people's happiness (Clarkson and McCrone 1998, Huxley and Warner 1992). Thus, service quality will have effects on subjective quality of life indirectly.

V. THE SERVQUAL MODEL

The SERVQUAL instrument developed by Parasuraman et al. (1991) has proved popular, being used in many studies of service quality. This is because it has a generic service application and is a practical approach to the area. A number of researchers have applied the SERVQUAL model to measure service quality in the hospitality industry, with modified constructs to suit specific hospitality situations (Saleh and

Ryan, 1992; Bojanic and Rosen, 1993; Getty and Thompson, 1994; Lam and Zhang, 1998; Tsang and Qu, 2000).

The SERVQUAL instrument consists of 22 statements for assessing consumer perceptions and expectations regarding the quality of a service. Respondent are asked to rate their level of agreement or disagreement with the given statements on a 7-point Likert scale. Consumers' perceptions are based on the actual service they receive, while consumers' expectations are based on past experiences and information received. The statements represent the determinants or dimensions of service quality. Refinement of his work reduced the original service dimensions used by consumers to judge the quality of a service from ten to five.
The five key dimensions (Parasuraman et al. 1991) that were identified are as follows:

1. Assurance – the knowledge and courtesy of employees and their ability to convey trust and confidence.
2. Empathy – the provision of caring, individualized attention to consumers.
3. Reliability – the ability to perform the promised service dependably and accurately.
4. Responsiveness – the willingness to help consumers and to provide prompt service.
5. Tangibles – the appearance of physical facilities, equipment, personnel and communications materials.

One of the purposes of the SERVQUAL instrument is to ascertain the level of service quality based on the five key dimensions and to identify where gaps in service exist and to what extent.
The gaps are generally defined as:

- Gap 1 (positioning gap) – pertains to managers' perceptions of consumers' expectations and the relative importance consumers attach to the quality dimensions.
- Gap 2 (specification gap) – is concerned with the difference between what management believes the consumer wants and what the consumers expect the business to provide.
- Gap 3 (delivery gap) – is concerned with the difference between the service provided by the employee of the business and the specifications set by management.
- Gap 4 (communication gap) – exists when the promises communicated by the business to the consumer do not match the consumers' expectations of those external promises.
- Gap 5 (perception gap) – is the difference between the consumers' internal perceptions and expectations of the services (Zeithaml et al., 1990).

VI. PERCEIVED SERVICE VALUE

Perceived service value has been recognized in the past decade as one of the most salient determinants of purchase intention and repeat visitation (customer retention) (Chang and Wildt 1994; Bolton and Drew 1991a; Jayanti and Ghosh 1996). Although, considerable research has focused on perceived service quality as an important determinant of satisfaction and behavioral intentions (Parasuraman et al. 1988; Brown et al. 1993; Zeithaml et al. 1996), there has been relatively more empirical research conducted on perceived service value and its relationship to visitor satisfaction and behavioural intentions (Anderson et al. 1994; Cronin et al. 2000; Caruana, Money and Berthon 2000; Oh 1999; Sweeney et al. 1997). Chang and Wildt (1994) found that the purchase intention is strongly and positively influenced by perceived service value. Previous studies (Grewal, et al. 1998; Jayanti and Ghosh 1996; Oh 1999; Sweeney et al. 1997; Zeithaml 1988) suggested that the perceived service value mediates the influence of perceived price and perceived service quality.

Figure.1: Perceived Service Value as a mediating variable
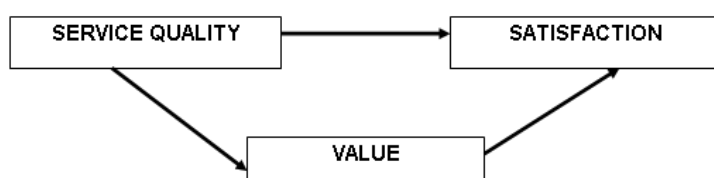
VII. CONCLUSIONS

According to the framework of research, the first part of the frame work focused about service quality. Quality assessment is performed during processing services. Customer satisfaction from a service can be defined by comparing him expectation from services with his assessment of service provided. If the service provided be beyond customer expectations, it is considered great services. Service is also evaluated based on customer perceived value. Although values may have a different meaning for each person; however, value is defined as the overall assessment of the customer from the utility of a product based on perceptions of what has received and what has paid. Value is the customer's perception from the benefits received against cost spent in terms of Rials, time and effort. The customer may have the perception that organization provided good quality of service and has satisfied of his experience with organization but may feel that the value is low (Zeithaml, 1996).

When customer expectations from service with his interpretations of service be same, the service quality provided is satisfactory and in expected and if be less than it that the quality is unacceptable. Service quality and customer satisfaction are conceptually closely. In management of service quality, satisfaction is defined as emotional behavior after purchase, however, customer satisfaction is kind of complex process of psychological and physiological. It can be said that both structure of "service quality" and "satisfaction" have tended integrating, especially in the long term. Quality must be according to customers' expectations, their expectations is the right standard to judge the quality of service. Parasuraman notes that customers expect service organizations that perform what is necessary and do principles and basis of work. For this reason it is said, quality of service is an important element in determining the success of an enterprise service. Factor "satisfaction" depends on the service provider's ability to meet the norms and expectations of customers.

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