



Conceptual Study of Relationship between Service Quality and Customer Satisfaction

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Abstract

The competitive environment in the hospitality industry requires every hotelier to seek highest customer satisfaction and service quality proves to be instrumental in achieving it. Various definitions of satisfaction are discussed and relationship of the quality is investigated. The study focuses on interdependence of service quality and customer satisfaction and its implications for hospitality industry. However in absence of any universal scale for estimate of satisfaction, the meaning of satisfaction becomes unclear and ambiguous, but the in business terms customer satisfaction is an important factor sustaining the business and its further development.

Keywords: Service quality, expectations, perception, customer satisfaction.

Introduction

In a fiercely competitive business environment, Reichheld and Sasser¹ have expressed that many of firms and industries are becoming serious and taking huge efforts on knowing the relationship and interdependence of customer satisfaction and service quality. Post liberalization, Globalization and Privatization in year 1991, Indian firms are very much keen on studying relationship between service quality and customer satisfaction. As cited by Iacobucci and Ostrom², researchers all over the world which includes Churchill and Surprenant, Berry, and Zeithaml³ Woodruff, and Jenkins⁴, Westbrook and Oliver⁵ and Bitner and Hubbert⁶ have been studying the subjects of quality and satisfaction as part of customer process of evaluating services.

Methodology

The research on service quality management in hospitality industry required multiple methods of data sourcing. The descriptive research design is used to understand the attributes of service quality in hospitality industry. Data sources such as hospitality journals, Books on service quality management, organization behavior, URL on internet of various hospitality majors were referred.

The specific objectives of the study are: i. To understand relationship between Service Quality and Customer Satisfaction. ii. To explore the service quality management and its role on customer satisfaction.

Results and Discussion

Service quality is defined as a comparison of customer expectations with service performance. The organizations with high service quality meet the customer needs and also remain most economical in terms of competition as improved service quality also makes the firm more competitive. High service quality is achieved by knowing operational process through identifying problems in service and defining measures for service performances and outcomes as well as level of customer satisfaction.

Definitions: Service quality: Parasuraman et al⁷ defined Service quality as a comparison between expectations and performance and in further studies defined service quality as the discrepancy between customers expectations and perceptions.

Satisfaction: Tse and Wilton⁸ defined satisfaction as the assessment of the perceived discrepancy between expectations and the actual Performance of the product.

When we discuss the subject satisfaction, it is found that there are number of and diverse definitions of satisfaction. Though it is an advantage to have such diversity of definitions, it also makes it complex to exactly word it. Therefore Giese and Cote⁹ have suggested that the researcher should choose an appropriate definition in given context and may develop the measure to interpret and compare it.

Satisfaction may be termed as an individual's reaction in the form of sequence of an information processing, valuation of the degree to fulfill the functions which a good service should posses. It also includes the feeling of happiness or joy of

matching the expectation and having pleasure while consuming the service. A section of literature assumes it as result of cognitive dispensation of the information through comparison of expectations with the delivery of service. Whereas literature also shows that it is just not cognitive processing but also implicit component of consumption which simply means that linking the thinking phenomenon during or before purchase to emotions and state of mind on consumption as Hunt and Keith¹⁰ has correctly posited that satisfaction is considered as an evaluation of the experienced emotions.

It is believed that satisfaction is the result of evaluation of a service through comparison against the expectations of the consumer with the perceptions of services delivered. This means perceptions becomes important component in service delivery and when in customers opinion. As per Johnston and Clarke¹¹ when the perception meet the expectations what so ever nature then customers is satisfied with the service. This satisfaction would lead to repeat business and improve referrals to other customers.

As stated by Howard and Sheth¹² satisfaction is defined as end result of cost and profit analysis of a transaction. In psychological words, satisfaction arises from the disconfirmation theory. Many of the researchers such as Oliver¹³, LaBarbera and Mazursky¹⁴, Woodruff, Cadotte and Jenkins¹⁵ have echoed to utility of the discrepancy between certain standard of comparison like experience and expectations with yield professed of a service.

Researchers including Oliver¹⁶, Halstead and Hartman and Schmidt¹⁷ have agreed concept of considering satisfaction as evaluative judgment and also a phenomenon with a strong affective component.

Quality and satisfaction has been widely discussed in various literatures from long back, especially in service industry it is found that there is good amount of interest is shown by managers having a strong sentiment that profit is derived by customer satisfaction and improvement in quality would lead to satisfaction which results in retention of customer with enhanced profits. It is widely observed that there seems to be a relationship between service quality and customer satisfaction as increased quality improves customer satisfaction and contributes to success of the organization. This adds to the image component of the organization and improves profitability through repeat business, loyalty and positive word of mouth. It also attracts new customers to the firm and increased reputation for quality experience.

Although a considerable literature can be found in this area, there is relatively less comments on performance quality and customer satisfaction and its further impact. Service quality has also been discussed by many researchers in marketing; however the nature of the relationship and interdependence if so is rarely debated constructively. Crompton and Law¹⁸ have successfully

tried to conceptualization the relationship between the constructs of quality and satisfaction in tourism and Parasuram, Ziethmal and Berry¹⁹ have shown that these constructs of quality and satisfaction are interchangeably used whereas Taylor and Baker²⁰ have opined that these two construct form a combination influencing customers purchase decisions. Tonge and Moore²¹ posited that the theoretical magnitude of fulfillment service has been build in various words which was based on different perspectives and this ambiguity and stymie caused interchangeable use of performance measures and satisfaction.

However in absence of any universal scale for estimate of satisfaction, the meaning of satisfaction becomes unclear and ambiguous, but the in business terms customer satisfaction is an important factor sustaining the business and its further development. As Kandampully²² and Yuksel and Yuksel²³ have stated that satisfaction leads to consumer loyalty and ensure life time benefits by retaining customers, Rahman and Shil²⁴ have mentioned that consumer satisfaction is heavily dependent on easy availability of quality service.

As defined in disconfirmation theory of Oliver¹³, an individuals' satisfaction with a purchase is the extent of his disconfirmation and when expectations are met. However when the performance quality is worse than expected, it results in negative disconfirmation and the performance exceed the expectations, it is positive disconfirmation. Parasuram et al have differentiated the quality as attitude towards service and satisfaction for a particular service operation which has been echoed by others and it holds true for tourism and hospitality.

Crompton and Love have discussed satisfaction in the context of tourism industry and have stated that quality is an opportunity manipulating the elements of service by producer and further stated that tourists evaluate quality on base of his perception by comparing it with the service performance. He also suggested that it is influenced by various factors such as social as well as psychological attributes like needs, frame of mind and nature and also the external factors like climate and so on. It means that quality is conceptualized by producers performance whereas satisfaction by customers performance. It is producers control over provision of facilities and values of service that leads to higher customer satisfaction and those extraneous factors beyond the control of producer may make it imperfect relation.

As it's a known fact that hotel guests are integral part of hotel service delivery and which distinguishes it from other products. The guest's involvement in the coproduction of services is regarded as important factor and it has a lot of influence on what has been delivered to guest. As hotel services are sold without any trial or pretesting, hotel guests make their expectations by relating themselves to the experiences of other who have used and tested the services. The reporting by others creates image in the mind of customer and perception of quality contents of the

hotel. But on other hand satisfaction being a psychological state is derived from interaction with the service provider. Also argued by Chon²⁵ and Meng et al²⁶, satisfaction is calculated by tourists' perceived comparison of preferred expectation with perceived evaluative experience.

Tourists are an integral part of the service delivery and their involvement may be active or passive, but their presence influences what is delivered. However, individuals need not have to be exposed to an attraction to form perceptions of quality. People may relate to others' experiences at a destination or to promotional material associated with it. Hence, much of the image research reported in tourism measures perceptions of quality of a destination's attributes. In contrary to this, satisfaction being experiential, it becomes a psychological state that can only be derived from interaction with the destination.

In contrast to the presumed concept of quality relates to cumulative impact whereas the satisfaction relates to transaction, Parasuram, Ziethmal and Berry and Fornell and Manfred have posited that satisfaction is a function of estimation of price and service quality.

Iacobucci and Ostrom have categorically stated that the quality and satisfaction are somewhat correlated since in terms of cause and effect relationship distinction can be made in quality and satisfaction and if given to understand that product of high-quality may result in customer satisfaction or dissatisfaction. In fact the distinction between quality and satisfaction reflects the customer verses management concerns as in case management of service firm takes efforts in providing high quality service but a customer participation in the service encounter may or may not be satisfied. Meeting expectations results in quality but exceeding expectations does not always impact quality as well as the satisfaction and there seems to be no differences between quality and satisfaction with respect to disconfirmation theory of falling short, meeting, and exceeding expectations. For a consumer, meeting an agreement is almost same as meeting an expectation and this perspective is evident that service quality and satisfaction are not different for consumer. As per Parasuraman et al., study on reliability being one of the important dimensions of service quality happens to be antecedent to satisfaction as it is essential in the judgment of satisfaction.



Figure-1
Consumer evaluation judgments:
Service quality and customer satisfaction

Oliver states that it is the customers thought process and psychology that negotiate between the performance observations and its impact on satisfaction. There exists some conformity between service features which establish quality which causes customers need satisfaction. This observation and consistency of this concept in hospitality and tourism has recognized as established quality as an antecedent of satisfaction. However Spreng et al²⁷ (1996) have mentioned that the earlier research in the field of tourism has not mentioned anywhere that perception of quality performance is an antecedent of customer satisfaction.

Otto and Ritchie²⁸ in their study have posited that service is about affective responses and mostly on expressive reactions and least related to the sensitivity to the practical attributes of performed service with certain specific emotions negotiating the satisfaction.

Spreng et al have defined satisfaction as "an affective state that is the emotional reaction to a product or service" needs to comply with the satisfaction notion. Further, it is proposed that attribute satisfaction and information satisfaction forms the precedents where attribute satisfaction is "the consumer's subjective satisfaction judgment resulting from observations of performance of attribute" whereas the information satisfaction as "a subjective satisfaction judgment of the information used in choosing a product" which is consistent with performance notion. This is argued further by Spreng et al who suggest that based on overall experience attribute-specific satisfaction is not the only antecedent of overall satisfaction" and this goes well with Oliver's notion.

As Taylor and Baker have suggested that quality remain the most important and significant dimension in the consumer satisfaction and satisfaction is super ordinate to quality. However many of non- quality elements also helps to make judgments about satisfaction and which exerts direct effect on satisfaction, and being extraneous they are beyond the control of service provider. Bitner²⁹ posited that the physical environment and infrastructure impacts the satisfaction and experience of service whereas Otto and Ritchie have highlighted causal relationship of quality attributes to satisfaction.

Services are very often evaluated at the time of service encounters and according to Klaus³⁰, quality is termed as the exact total value perceived in the service encounter and that is expected by the customer and hence organizations need to pay attention to consumers perception and service process. As suggested by Bearden et al³¹, by improved service quality, service process is benefitted two ways i.e., the organizations would attract new customers and retain maximum current customers. Since the customer perception in hotel industry are strongly affected by behaviors of front line staff as they are the intermediaries of hotel services, Bowen and Lawler³² have suggested to deliver the promises made by organization and build image. Cronin and Taylor³³ have posited that there is a

direct relationship between satisfaction and perceived service quality and satisfaction proves to be stronger influence on purchase decisions than that of service quality.

Since satisfied customers is the goal of every organization, according to Pizam et al.³⁴, consumers fashion expectations before buying any services and they compare these expectations with the experience of having the service, therefore satisfaction may be defined as “a collection of tourists’ attitudes about specific domains in the vacationing experience”

Guest staying in hotel is exposed to different service attributes from telephonic or online reservation, to check-in and check-out, accommodation to food and beverage service, recreational services to secretarial services, spa treatments to rent a car service. Satisfaction for such guest has to be satisfaction from all these services. Pizam and Ellis³⁵ in further research have recognized that on the whole satisfaction in hotel industry comprises of satisfaction with individual attributes of various services that make up the total experience of staying in hotel. This finding is substantiated by Cooper et al.³⁶ and suggest that satisfaction for hotel guests is an amalgamation of facilities and services of food and beverages, accommodation, transport and scope for shopping and quality of delivering these services need to almost uniform. Since food and accommodation remain the most critical components of satisfaction, its quality has direct effect on customer satisfaction and lasting impression. Tourism industry also regards the components of accommodation and dining as one of the most important as Chi and Qu³⁷ state that tourist visiting certain destination are satisfied when they are happy and satisfied with dining experience and lodging experience and tourism marketers are taking more efforts in improving these two services to gain customers long time loyalty.

Yi Youjae³⁸ has articulated that when customer satisfaction process varies as per the product or service and especially when the product is indistinct and not available for pretesting or trial, effect of expectation on satisfaction is more than the performance of the product or service. This exactly applies to hospitality industry and marketer should know well in the ambiguity of the services and create the expectations through promotions. Emotional appeals instead of rational appeals should be used in promotions.

Customer satisfaction is the product of intricate information that is generated by comparing customers’ experiences with expectations and customer may be termed as satisfied or dissatisfied with services rendered and the extent of expectation. Rust and Oliver³⁹ also affirmed that satisfaction reflects the degree to which one believes that an experience evokes positive feelings.

Interdependence between the service quality and satisfaction could be found in difference between service qualities as service providers concern whereas satisfaction is a concern of

consumer. Management of hotel or any other service provider tries to deliver improved service quality and consumer experiences satisfaction.

As Burr⁴⁰ has suggested that quality is part of firms’ sphere of influence and satisfaction is evaluative reaction of customer. Management would take special efforts on improving service quality, especially the aspects under its control and implement the measures of customer satisfaction derived through well conceived market research. Quality improvement programs designed to be consumer oriented and driven by market demand would lead to customer satisfaction. In fact it is observed that the quality programs inattentive towards customer satisfaction would leave customer under satisfied or dissatisfied as it is least connected to customers expectations. Service quality as defined by Parasuraman et al is a proportional function between expectations and actual service performance in terms of Gap Model whereas customer satisfaction studies of Oliver, LaBarbera and Mazursky, Woodruff, Cadotte and Jenkins compare expectations and satisfaction through disconfirmation theory.

Conclusion

Studies in the subject of service quality have confirmed that service quality has interdependence and direct relationship with customer satisfaction. In most of the service quality studies, the terms of satisfaction and quality are used very frequently juxtaposition to each other which means both these appear similar. Some of the earlier literature viz. Bitner suggests satisfaction as very specific and generally short term evaluation whereas Parasuraman et al suggest quality being the broader and long term evaluation. On other hand Oliver, describes quality as specific opinion and constituent of satisfaction, satisfaction being the broader assessment. So it is found that these two terms are studied separately as well in union and occur in many of earlier studies.

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