

Service Quality Orientation with Customer Satisfaction and Customer Loyalty Revisited Through Literature

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Abstract: This review article is based upon the relationship about service quality, customer satisfaction and customer loyalty. Science Direct, ABI/INFORM Global, EBSCO Host and Emerald scholarly databases are inspected for service quality, customer satisfaction and customer loyalty studies. Meeting or exceeding customers' expectations becomes one of the key issues for most service companies because service plays much more important role in today's marketing strategy. Literature suggests a positive association among service quality, customer satisfaction and customer loyalty. Moreover, literature indicates the antecedents of customer satisfaction and loyalty such as responsiveness, reliability and empathy. This study emancipates the literature of service quality orientation in connection to customer satisfaction and customer loyalty.

Key words: Service quality • Customer satisfaction • Customer loyalty

INTRODUCTION

The genesis of service quality started with the growing importance of services in the developed economics after 1960. This was the expansion of the traditional definition of product quality to include the services surrounding only the product. For many manufacturing companies, the 1960s and 1970s were the wake-up calls for this aspect of quality [1]. A service may be defined as a change in the condition of a person, or of a good belonging to some economic unit, which brought about as the result of the activity of some other economic unit, with the prior agreement of the former person or economic unit [2]. Bitner and Hubbert [3] defined service quality is usually defined as the customer's impression of the relative superiority/inferiority of a service provider and its services; however, this is often considered similar to the customer's overall attitude towards the company [4].

Customer loyalty has been the subject of much research during recent years because of the belief that higher loyalty leads to better results in the marketplace due to higher price tolerance, favorable word-of-mouth and opportunities for cross-selling [2]. In the service quality literature, many researchers have examined the relationship among service quality, customer satisfaction and behavioral intentions in context with several service

industries. Customer loyalty has a powerful impact on firms' performance and is considered by many companies an important source of competitive advantage [5]. Service quality is perceived as a customer's subjective interpretation of his or her experience. Service quality can pay rich dividends when done well. Higher levels of service quality produce higher levels of customer satisfaction that lead to increased patronage intentions and increased sales [6]. Nicholls *et al.* [7] proposed two aspects for measuring customer satisfaction: service provided by personnel and the environment where services are delivered. The following section presents the literature about the service quality, customer satisfaction and customer loyalty.

Literature Review: Service Quality: Quality involves of two elements: (1) whichever a product fulfills the needs (2) up to that level it is free from failures [8]. Service is a method of performance that is presented by one party to another [9]. Services are described by a diminutive characteristic like services are incorporeal in nature; we cannot calculate the services by an instrument. Services are assumed to be inseparable that is creation and consumption normally place at same place. Furthermore, services remain variable in nature; they do not follow a similar or some kind of linear form [10]. Customer satisfaction requires a customer understanding

(perception) of the service transfer, actual transfer of the customer experience and understanding that are whichever exceed or lesser. If understanding (perception) are exceeded, affirmative disconfirmation outcome, as a undesirable (negative) disconfirmation outcome after experience is lesser than expected [11]. Service quality is a comparison of perceived performance with expected performance it's include technical quality and functional quality. Technical quality is actually service received by a customer and functional refer to the service is delivered to the user technical quality is difficult to evaluate as compare to functional quality [12]. Nowadays service quality given importance due to its close relationship with customer loyalty and satisfaction. Service provider are interested to know about the thinking of customer about the service [13]. It is a big challenge to retain the customer because high competition exist in the service industry and user wants best quality service if they are not satisfied they leave the service of their service provider [14]. If firm gave the guarantee of best quality services this gave him competitive edge over the competitor and its increase the customer loyalty and satisfaction firm also gets high financial returns [15]. The service quality accepted or rejected depend on the customer preference in their mind either the service quality is excellent or bad [16].

The service industry in the 21st century not merely has to move onward in the direction of the goals of diversification and transformation, but additionally has to unceasingly (continuously) enhance its service quality and management standards in order to gratify (satisfied) the elevated expectations of customers towards the products [17]. The relationship exists between the cultural difference and service quality. Services almost same in world with little bit changes and attitude, skills and behavior of the employs of service provider and purchaser loyalty, satisfaction are directly connected with each other [18]. There are five dimensions of service quality are touchable, reliability, responsiveness, assurance and empathy.

- Touchable: physical skills, tools and emergence of employees.
- Consistency: ability to present the needed skill dependably and correctly.
- Responsiveness: readiness to help consumers and provide quick services.
- Assurance: awareness and politeness of workers and their ability to inspire trust and confidence.

- Empathy: kind and single kindness endowed (provided) by the staff.

Service provided by the employs reflect the image of the organization and create a strong perception about the service quality its depend on the management of the organization how they involve to increase the skills of the employees in order to increase the satisfaction of the consumer [19]. It is fact that loyalty of service provider employee with customer reflect the loyalty of the organization and service provider must collect the information about the customer to enhance the satisfaction of customers [20]. Service quality is observed as a customer's personal explanation of his or her experience. Broad study has been completed to theorize service quality as supposed by the service supplier and consumer. This is vital to comprehend the act to be frolicked by consumers and their level of participation in the service transfer method. Understanding the act frolicked by the client across ability contact is a proactive strength rather than reactive flaw [21]. Exceedingly competitive company nature, service firms cannot be champions established on yesterday's standards. Observed service quality originates from customers' assumptions. As a consequence, it is vital to recognize consumers' expectations of service quality and include these expectations into a service transfer process. Observed service quality can be persistent by contrasting consumers' perceptions and expectations of real service performance. Therefore, there is an important association among customer satisfaction and service quality [22]. Service quality can play vital role in earning when done well. Higher levels of service quality delivered higher levels of customer satisfaction that leads to increase profit and increase sales [23]. High quality of frontline workforces is important to the success of the organization because the service provided by the employees transfer the image of the organization and affects the consumer perception of service quality. Management promise is positively linked to real employee involvement and this involvement is connected with employees job satisfaction and consumer opinion of service performance [19].

Service quality has been denoted as the level to which a service fulfills shoppers' needs and expectations. Satisfied consumers' spectacle loyalty and furnish affirmative word-of-mouth. Thus, consumer satisfaction is recognized as one of the vital antecedents of loyalty. Customers understanding of service quality have affirmative results on the level of customer's satisfaction [24]. Trust and relationship promise arbitrate the whole

encounter of satisfaction that seems as a vital but not enough condition for relationship maintenance and progress. Trust is related to product /service purchases, while relationship promise is concerned with the image of company (service brand) [25].

Customer Satisfaction: Satisfaction is usually recommended as the key driver on customer loyalty and actions (behavior). A vital demand to investigate is why satisfaction, in several times, spectacles a little correlation with loyalty or repurchases behavior. Current study has strained to retort this problem by encircling other antecedents, moderator and intermediary variables within satisfaction and loyalty such as individual characteristics. Even though previous research described satisfaction as transaction-specific product episodes, present research quarrel for defining satisfaction as the consumer's finished experiences to date as increasing satisfaction, like attitudes [26].

A positive relationship was found between customer satisfaction and loyalty. Customer satisfaction is defined as "the consumer's fulfillment response," a judgment that a product or service provides a pleasurable level of consumption related fulfillment, including under or over-fulfillment. The present literatures counsel that ingratulatory behavior leads consumers to modify their perceptions of the situation and therefore increases consumer satisfaction because consumer satisfaction relates to future loyalty intentions with main implications for organizational sales and profits [6]. Customer satisfaction is the complete assessment to services. It is the image of consumers make to preceding buying. If it exceeds expectation, loyalty rises. Consumer satisfaction must to be especially valued in company study has examined customer satisfaction and various antecedent connections to identify what propels satisfaction, from the customer's perspective [27].

Customer value perceptions, relationship quality, product quality and service quality have be discovered to be consistent drivers of satisfaction [28]. Consumer gratification is the whole assessment to services. It is the reflection consumers create to their earlier purchase. If it permanently beats their expectation, their loyalty surges. Consumer satisfaction must be high valued in business. Customer satisfaction is supposed to be effected by some other variables, which include service quality perceptions and expectations [29]. Service quality is a component of consumers' perception because it is an antecedent to consumer satisfaction. Customer satisfaction has consented significant consideration from

researchers in marketing. Customer satisfaction is usually taken to be a post consumption assessment depend on observed quality or worth, expectations and confirmation/disconfirmation the degree (if any) of discrepancy within actual and probable quality. Furthermore, customer satisfaction is concern a specific transaction or pertain to an whole assessment of a specific brand or firm [30].

There is a singular phenomenon common to studies of consumer satisfaction, it is confirmation /disconfirmation. Confirmation/ disconfirmation proposes that consumers difference the quality they practice with a custom or average, such as pre buy beliefs concerning a specific product. Expectations are a second direct antecedent of consumer satisfaction. Expectations provide an anchor and confirmation/disconfirmation provides an adjustment in determining customer satisfaction. In addition, expectations contain information about upcoming quality affecting consumer satisfaction and possibility of repurchase. A third antecedent of customer satisfaction is quality. The quality has been shown to have an affirmative effect on consumer gratification. In fact, numerous researches propose that quality's effect on consumer gratification is more than the result of confirmation / disconfirmation or expectation [31]. Many important consequences loyalty, complaints word-of-mouth have been ascribed to purchaser gratification. The furthestmost significant of these consequences is perhaps the affirmative effect of consumer gratification on repurchase behavior. Satisfaction is not inherent in the product or the service itself but, instead, satisfaction chiefly consists in the consumer's opinions of the qualities of the product or service as they associate to that individual. Therefore, disparate customers will express fluctuating levels of satisfaction for the similar experience or service encounter. Service worth has been recognized as a mediating variable in the connection among service quality and consumer satisfaction [22].

Customer Loyalty: Many consumer satisfaction researches have done that there is an important association with in consumer satisfaction and loyalty. Hence, the core goal of service suppliers and vendors is identical; i.e. to develop and deliver services that gratify consumer needs and expectations. Customer loyalty, a vital mediating variable in clarifying consumer retention is concerned with the likelihood of a consumer returning, making company referrals, giving powerful word-of-mouth, as well as giving references and publicity loyal

consumers are less probable to switch to a competitor due to a given cost inducement and these consumers make extra buys as compared to less faithful consumers [32]. Customer loyalty has been believed as a vital source of long-term business success and making a relationship with consumers is a good method to retain way to retain loyal consumers in the long-term. Customer loyalty is an emotion of promise on the part of the purchaser to a product, brand, marketer, or services and beyond that for the competitors in the market-place, which outcomes in repeat obtaining [33].

Loyalty is established over an era of time from a regular record of meeting and from time to time even exceeding consumer expectations. The price of attracting a new consumer might be five times the price of keeping an existing consumer happy. Definition of consumer loyalty that is the degree to which a purchaser shows replications purchasing behavior from a service supplier, holds an affirmative attitudinal disposition toward the provider and considers using only this provider when a need for this service appears. Factors can affect attitudes and buying behavior of consumers at dissimilar levels of loyalty such as experience, relationship with vendors, price/value and exit barriers. Relationship with vendors is one of the most vital factors that disturbs purchasing attitude, like some purchases may be made due to sellers and are not related to products. If a firm wants its customer to be loyal then it needs to increase customer experience related to product usage [16].

Customer loyalty can be divided into three types as: attitudinal-loyalty, behavioral- loyalty and co-determinants of purchasing and loyalty consumer has affirmative attitude and believes about the brand. In behavioral loyalty consumers have past pattern of buying behavior and in co-determinants of buying, loyalty are moderated by customers purchasing behavior and their characteristics [33]. Several researchers have recognized an affirmative relationship among customer loyalty and the perceived benefits of a loyalty program [24]. Loyalty cardholders are possible to be loyal to the store if they gain the promotional inducements and if the reward is valuable. In addition, the various strategies and tactics retailers use build upon the idea that customer loyalty may increase through the hedonic and symbolic benefits of loyalty programs [34].

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loyalty are moderated by customers purchasing behavior and their characteristics. "A loyalty program is a marketing program that is designed to build customer loyalty by providing incentives to profitable customers [35]. Loyalty program is tool for manager for motivating customers, attracting potential customers, positioning in minds of customers and profit maximization. Consumer loyalty is a topic of much study during recent years because of the belief that higher loyalty indicates to better effects in the marketplace due to greater price tolerance, positive word-of-mouth and chances for cross-selling. Satisfaction has a more effect on loyalty for services than it does for goods and also profits growth for services is more reliant on the effects of loyalty, that is, consumer recommendations and word-of-mouth and therefore the whole effect of satisfaction on revenue and growth is more for services than it is for goods. Satisfaction and switching barriers are both the main antecedents of customer loyalty. The importance of understanding the words loyalty linking is pertinent in today's environment after so various firms are trying to uphold a feeling of belonging in to encourage people to accord particular performances [6].

CONCLUSION

Service quality is always important for companies in order to achieve competitive advantage over the competitors companies. The firms should always focus on improving the service quality. Customer satisfaction is also dependent on the service quality. Literature suggests a direct relationship between customer satisfaction and service quality. Moreover, customer satisfaction increases customer loyalty; therefore, the company profit will increase ultimately.

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