

Study of the Effect of Service Quality on Customer Satisfaction, (Case Study: Zagros Airlines)

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Abstract – One of the important evolutions at the end of the century in the field of performance enhancement was the measuring of customer satisfaction as a main requirement of management systems in corporations and firms. Several efforts of business managers and experts in order to enhance performance management tools and to develop the responses to customers, shows that Customer satisfaction is One of the important factors for any organization in business matters. Since Customer satisfaction is one of the important factors for any organization, we study the effect of service quality on customer satisfaction in Zagross Airlines. We utilized questionnaires to collect data for testing the 6 hypothesis of this study. The questionnaires have been distributed among 380 customers of Zagross Airlines. In order to analyze the relationship between our variables we used SPSS software for connection between the variables. The results show a positive and meaningful relationship between customer satisfaction and service quality.

Keywords – Satisfaction, Service Quality, Trust Ability, Warrant, Tangible Facilities, Health And Safety, Communication Ability, Zagross Airlines.

INTRODUCTION

Close competition between corporations in order to get more share in the market, together with customer efforts for having more satisfaction, is resulted in corporations which are looking for a higher position at the market. Customers also are in search of clues to reach the best producers. Achieving this goal is related closely to these two concepts: service quality and a desire to tend to other rivals. Surveying these concepts is specifically critical and important for service companies. Among such service corporations are medical centers which no one doubts about their functional characteristic in development of countries. It seems that identifying the relations between service quality and a desire to tend to other rivals could result in improvement in quality of these centers' services as well as increasing customer satisfaction. To reach the later would be one of the essential problems of service companies' especially medical centers and airlines. Service quality, customer satisfaction, loyalty and tendency to other rivals are the most important topics in marketing. Several surveys have been performed regarding these concepts, about measuring them and obtaining the relation between them. These surveys have been brilliantly shown the importance of the above concepts and proved that they have different meanings. However there is no certain viewpoint about the order of these concepts. In the light of the above there are uncertainties whether we shall focus on the improvement of the service quality and its components as a tool to create desirable intentions of

behavior in customers, or it is better to emphasize the importance of the customer satisfaction. In Our times, the age of knowledge and post-industry, rapid technological changes have forced the firms to think globally and prepare themselves to face the unpredicted competitions. In our world of rapid changes, the rise of the new rivals with their higher potential in several aspects would be a threat for organizations. Studying the customer characteristics and expectations will be a great help for the organizations in order to modify their performance and enhance the customer satisfaction. Management experts consider the customer satisfaction as the most important priority of the companies. From their viewpoint the managers' permanent commitment to satisfy the customers is a prerequisite for their future success (Sajjadi, ali akbar, 2012). On the other side the organizations have found out that the customer satisfaction depends on the quality of the materials and the services and one of the major benefits of the customer satisfaction is to provide services with high quality. The discussion in this regard is quite complex.

THEORETICAL LITERATURE

Commercial organizations' success depends on their service quality extensively. Such performance would result in achieving true customers. Airports are suitable subjects as their characteristics are intangible (personnel respectful behavior, personnel overall performance, fast provision of services, and easy access to locations ...) and nearly equal to any other intangible feature in other subjects. One of the most distinctive aspects between rivals is service quality, with which they try to bridge between the customer expectations and experiences. This causes the airline industry to change their procedure of interactions from marketing to developing relations with customers. This includes service quality which is considered a framework for relationship marketing. Recently it has been found that there is a close relation between personnel performance and service quality which would result in customer satisfaction and their loyalty. This requires a close relation between personnel and customers, especially in airlines industry as an important service organization. This depends on their ways of building a relationship with customers. Overall, it is necessary to study the different dimensions of the relationship between service quality and customer satisfaction, so airlines managers and chairmen could make better business decisions in the future.

In marketing, customer satisfaction is one of the topics regarding which several surveys have been performed, since it is a basic factor for reaching organizational targets

(Jersen, Mansamy and Chileh, 2011). Also it is a fundamental standard for performance evaluation and organizational quality. The term “customer is always right” shows the high priority of this concept (Fikowa, 2004). Companies believe that keeping their regular customers in more beneficial than trying to absorb new customers (Bolter, 2013). Consider the extreme competitive market of airline companies for example. Here, it is not only satisfaction, but ultimate satisfaction which enhances loyalty and long-term relationships. Reversely, unhappy customers can also express their feelings. Such negative responses may affect on company’s interest (Hoffman and Bitsen, 2010). The least effect is that customers would probably talk with their friends about their negative feelings and these talks spread rapidly in our world of digital communications, and impose a negative impact against companies. Studies show that an unhappy customer shares his/her experiences with 9 people and this oral negative advertising has a huge destructive effect on companies’ interest. But good news is that, if a company solves an unhappy customer’s problem, he/she will share this good experience with 5 people, and it is more probable, compared to other customers, that the above mentioned customer uses this company’s services again later. Satisfaction is a quick response to consumption. However service quality is considered as the general effect of the customer judgment on the services (Bitner and Hubert, 1994; Culiberg 2010). If the quality matches the customer expectations, the service will be considered satisfying. But if the quality is higher than the customer expectations, the service will be considered excellent and vice versa (Parasuraman, 1985). Hence, service quality enhancement depends on the ability of airline companies to fulfill the customer needs and the customer untold desires, continuously. By using this strategy, airline companies will be able to raise their interest and pull up in the market, an above all satisfies customers appropriately. The latter has many benefits for these companies: 1- creates a strong and long-term relationship between company and customers. 2- It is a good base for later purchases. 3- It helps to have loyal customers. 4-oral advertising of customers would have positive effects on companies. 5- Creates a picture of good reputation in the customers’ mind and finally 6- increases the company’s interest (Park et al, 2005). Airline companies must understand the importance of service quality. Quality enhancement shall not be expensive if it is done continuously and in a long-term basis. Companies shall consider this as an investment. In this essay we tried to clarify the relation between service quality and customer satisfaction in Iran’s airports.

Technical words and expressions (conceptually and practically):

Service quality: the difference between the customer expectations and the reality (Parasuraman et al, 1985).

SERVQUAL is a method for measuring quality which has 5 dimensions: reliance, response, warrant, sympathy, tangibility. We use a tool with 22 items for measuring quality (Parasuraman, 1985). Despite its vast usage, this method may not be suitable for airlines industry compared

to other industries. This is due to different features of services qualities in airline companies (Cronin and Taylor, 1992). Furthermore, there are doubts whether these 5 dimensions are generally accepted or not (Culiberg, 2010). In order to use them for all industries, they have to modify. In order to use SERVQUAL framework in this study, we made sure that the choice of our questions and the framework dimensions are proportional to Zagros Airlines Company service qualities. Hence we used 6 dimensions which are: reliance, response, warrant, tangibility, safety and security and communication. These terms are discussed below.

Reliability: ability to provide the promised services in exactly and with total responsibility without any failure. We used 4 items to determine this factor: boarding process, flight timing, arriving at destination in time, personnel behavior in case of lost luggage (Ann and Noe, 2009). This variable is measured using 4 questions which are mentioned in the main essay. These questions are casted by Parasuraman in 1988.

Responses (answering customers’ questions): feel to help the passengers, providing services immediately, quick response to customers’ needs. We used 4 items to determine this factor: will to help, care for passengers’ needs, permanent informing of the passengers, permanent updating the passengers regarding any changes in the timing of the flights (Biko, 2000). This variable is measured using 4 questions which are mentioned in the main essay. These questions are casted by Parasuraman in 1988.

Warrant: personnel respectful behavior and their ability to gain passengers’ trust. We used 4 items to determine this factor: personnel skills in provision of services, personnel respect towards passengers, ability to build trust in passengers, ability to answer passengers’ questions (Batel, 1995). This variable is measured using 4 questions which are mentioned in the main essay. These questions are casted by Parasuraman in 1988.

Tangible facilities:

Availability of physical facilities, equipment, personnel and communication devices or any other tangible facilities. We used 8 items to determine this factor: airplane interior hygiene, airplane body hygiene, comfortable chairs, personnel outfits and looks, variety entertainment facilities during flight, variety of meals during flight, quality of meals during flight, general facilities of the airplane, installing and upgrading new equipment, This variable is measured using 8 questions which are mentioned in the main essay. These questions are casted by Parasuraman in 1988.

Making contacts with passengers: the ability of flight attendants to communicate with passengers during flight. We used 4 items to determine this factor: ability of speaking in different languages, pilot-passenger communication, and information announcements during flight. Safety and security is measured by 3 factors: individual safety of passengers and their luggage.

As we discussed, our 6-dimension model is compatible with SERVQUAL. The main difference is using these 2 models to introduce safety and security dimensions.

Safety and security is measured by 2 factors: individual safety of passengers and their luggage.

Safety and security are the greatest property of airlines industries and airlines companies try to guarantee the maximum safety and security for their customers. This variable is measured using 8 questions which are mentioned in the main essay. These questions are casted by Parasuraman in 1988.

Customer satisfaction: happy or unhappy feelings of a customer, which is resulted by comparing his/her expectations and his/her mind performance.

STUDY PROCEDURE, MODELS AND ASSUMPTIONS

This study shall be regarded as a utilizing practice from the viewpoint of its targets and the procedure is based on

structural equation model. This study is descriptive, according to its topic, nature and assumptions. The following model is presented to analyze the relations between variables:

Our assumptions include:

- Reliability has a positive and meaningful effect on customer satisfaction.
- Warrant has a positive and meaningful effect on customer satisfaction.
- Being responsible has a positive and meaningful effect on customer satisfaction.
- Tangible facility has a positive and meaningful effect on customer satisfaction.
- Safety and security have positive and meaningful effects on customer satisfaction.
- Making communication has a positive and meaningful effect on customer satisfaction.

RESULTS

All the assumptions and regression coefficients, and fractional indices for each assumption are shown in table 6-4.

Result	P	C.R.	Regression Coefficient	Assumption	Assumption
Approved	0/00	10.21	0/42	Customer Satisfaction	← Reliability 1
Approved	0/00	4.25	.39	Customer Satisfaction	← Warrant 2
Approved	0/00	7.23	.58	Customer Satisfaction	← Response to customer 3
Approved	0/00	9.21	.71	Customer Satisfaction	← Tangible Facilities 4
Approved	0/00	3.39	.36	Customer Satisfaction	← Safety & Security 5
Approved	0/00	3.29	.32	Customer Satisfaction	← Communication 6

The standardized regression coefficient for the 1st assumption is 0.42 which, regarding the amount of C.R. =10.21 and $P < 0.05$ for this coefficient, it is concluded that the assumption is accepted with 0.95 assurance. In other words one can be sure with 0.95 accuracy that Reliability has a positive and meaningful effect on customer satisfaction.

The standardized regression coefficient for the 2nd assumption is 0.39 which, regarding the amount of C.R. >1.96 and $P = 0$ for this coefficient which is less than .05, it is concluded that the assumption is accepted with 0.95 assurance. In other words one can be sure with 0.95 accuracy that Warrant has a positive and meaningful effect on customer satisfaction.

The standardized regression coefficient for the 3rd assumption is 0.58 which, as you can see in the table, the amount of C.R. (7.23) is >1.96 and $P = 0$ so briefly it is concluded that the regression coefficient has a meaningful difference with zero. In other words one can be sure with 0.95 accuracy that being responsible has a positive and meaningful effect on customer satisfaction.

The standardized regression coefficient for the 4th assumption is 0.71 which, regarding the amount of C.R. (9.21) and $P < 0.05$ it is concluded that the assumption is accepted with 0.95 assurance. In other words one can be sure with 0.95 accuracy that tangible facilities have positive and meaningful effects on customer satisfaction.

The standardized regression coefficient for the 5th assumption is 0.36. The amount of C.R. (3.39) is >1.96 which approves this assumption and $P = 0$, other approval for this assumption. So one can be sure with 0.95 accuracy that safety and security have positive and meaningful effects on customer satisfaction.

The standardized regression coefficient for the 6th assumption is 0.32. The amount of C.R. (3.29) is >1.96 and $P = 0$ so one can be sure with 0.95 accuracy that making communication has a positive and meaningful effect on customer satisfaction. Hence all the assumptions have positive and meaningful effects on customer satisfaction.

HINTS FOR FUTURE STUDIES

We discovered some hidden points during different stages of this study and we faced some ambiguities as we went further in this research which, considering our limitations, need more studies for clarifications. So here are our propositions for the future scholars:

- Implementing similar researches in other industries or same activity fields.
- Considering other variables regarding customer satisfaction.
- Implementing similar research for people with different incomes.

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