THE IMPACT OF SERVICE QUALITY ON CUSTOMER SATISFACTION

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***Abstract:** 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 is a physical concept that is due personal comparison from understanding of product performance with the experience obtained of the performance. Service quality and customer satisfaction are conceptually closely. In management of service quality, satisfaction is defined as emotional behavior after purchase. 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.*

1. 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).

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).

It can be said that the origin of all the goals, programs and organizational practices in modern marketing concept is referred to market in general and customer in particular. Customer-orientation is the most recent marketing approach and its development point. Customer orientation approach begins with the study of needs and wants of customers and then continues with physical product or service design, production and supply, and finally measurement of customer satisfaction as a key indicator of performance.

Foundation for carrying out all phases of operation in organization is the data obtained from the customer. Putting the customer as first priority in all activities and programs, as well as effective respond to their needs and demands, is beginning of new approach to marketing. In this regard, improving customer satisfaction and exceeding their expectations is a major driver of growth (Pirayesh Neghab & Daneshvar, 2011).

2. Customer Satisfaction

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). Customer satisfaction is increasingly as basis of standard performance for any business organization and whatever organization has more satisfied customers and increase the purchase rate and reduces the desire for change (Jamali, 2007). Customer satisfaction is something beyond a positive impact on efforts done in the organization. This not only makes the activity staff, but is considered a source of profit for the company. Customer satisfaction provides many benefits for companies and higher levels of customer satisfaction leads to loyalty. By reviewing literature related to the topic, it faced two approaches to defining satisfaction:

In the first approach, satisfaction is the condition that is obtained after use of the product or service for the customer. In the second approach, satisfaction is process understand and evaluate of customer from experiencing product consumption by using service. Literature review suggests that Satisfaction is achieved as a result of two parallel processes that include: emotional process and normative process (Robinot and Giannelloni, 2010).

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).

3. Quality service

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. Based on study done, 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 is different (Ranjbarian & Gholizadeh,2008). 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). Spreng and Singh (1993) during his investigation also concluded that high quality services will bring "customer satisfaction" and therefore distinction between these two structures does not seem so important. Dabholkar, Quality of service is closely related to customer satisfaction so that improve service quality increases also the likelihood of customer satisfaction. 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).

3.1 Consequences of service quality

Quality of service is a profitable strategy for the organization and investing in service quality will lead to organization profitability. It should consider that relationship between the two is not a simple relationship. Researchers distinguished to respond to the impact of service quality on profits, between offensive effects (eg, to obtain greater market share) and defensive effects (retain

customers, reduce cost of promotion) (chart 1). Improving quality of service leads to attract new customers and also enables organization to maintain its current customers (Zeithaml, 1996). Research results indicate a positive relationship between perceived quality and financial performance of the organization. In fact, firms with higher perceived quality has greater market share, higher return on capital and circulating assets more than firms with lower perceived quality.
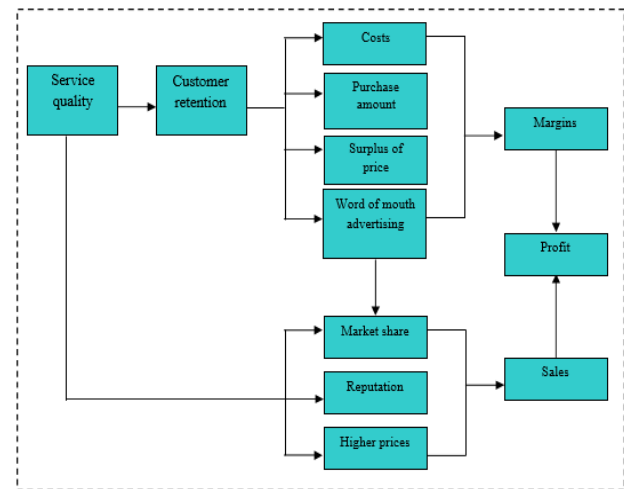

Chart 1: Service quality lead to profit (Ghobadian, 1994, pp43-44)

4. Service Quality, the Gap between Expectations and Performance

Customer perceptions and effective factors on it

Perceived service quality by consumer comparing what they feel that services company must provide (ie their expectations) with their understanding comes from the service provider business performance. The primary factors that affect the customer's perception of service, it show when we speak from customer's perception is assumed; dimensions of services and practices of assessing customers exposures is similar, whether evaluator be internal or external customer of the organization. Four main factors affecting customer perceptions from service include:

1: Service Encounter, or Moments of Truth

The most obvious impact services from consumer point of view occur in service encounters, when customers interact with services company, in these encounters that customers receive the picture from services quality in organization and each service encounter help to the satisfaction and

overall desire of people because work with organization again. In term of organization view, each encounter provides an opportunity to improve its ability as provider of services quality to increase customer loyalty (Zeithaml, 1996).

2. The Evidence of service

Another set from factors affecting customer perception of service refers to the evidence of service because the services are invisible, customers looking for the evidence of service that they have with an organization in every interaction. Individuals (employees in customer contact, customer, customers) Physical evidence (regular communication, technology, warranty and service space) and process (the operational process of activities, process steps, flexibility in standards, technology versus human) these classification together offer services and provide evidence For tangible services to customers (Bahadoran, 2008).

3. Image

Beyond impacts from the service encounters and assessing evidence of service, customer perceptions can be influenced by the organization's image or reputation. Here, the image of an organization is defined as the perception of organization that is reflected in relationship that there is in the customer's memory. This relationship can be very real such as operational interactions, working time, ease of access, or that they are less real or felt such as excitement, confidence, and so on.

4. Price

Price can influence on perceptions of quality, satisfaction and value. If the price is too high, customers are likely to expect high quality. Actual perceptions are influenced based on these expectations and conversely, if the price is too low, customers may doubt the company's ability to provide quality services.

5. Conclusions

In service sector, its 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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