Service Quality and Customer Satisfaction: Experience of Customers in Postal Service

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ABSTRACT

Providing great quality services is essential for a sustainable competitive advantage in today's aggressive business environment. An organisation's success could be positively influenced by customer satisfaction. This study has attempted to examine the relationship between service-quality elements towards customer satisfaction. The modified SERVQUAL model by Parasuraman et al. has been used to measure four service-quality dimensions. Quantitative method is used for data collection in this research. A set of a self-administered questionnaire focused on customers of Pos Malaysia Centre in Kuala Terengganu was distributed and has collected a convenience sample of 322 Pos Malaysia customers. Pearson's correlation analysis has revealed that all the four service-quality elements are positively associated with customer satisfaction with a moderate correlation. All the hypotheses of the study are also supported. Responsiveness and reliability have been discovered to influence customer satisfaction most compared to the other elements. Therefore, these findings have suggested that service industries, particularly postal services, should cultivate the key service-quality elements thoroughly in order to enhance customer satisfaction without overlooking the remaining dimensions.

Keywords: *Service quality, customer satisfaction, SERVQUAL, postal*

INTRODUCTION

The most significant aspect in the business world whether it is intended for products or services is customer satisfaction. Customer views are perceived as service delivery that aids as a standard against which a performance is judged (Veronica, Jacqueline, & Mellisa, 2015). They contribute to a better success, lower costs, and customer trustworthiness. Measuring service quality, as seen from the customers' eyes, is complex (Arora & Arora, 2015). The ability of the service industry to influence aggressive improvement can be realised from better service quality. Service quality is in fact a quality of service when customers, users, or clients measure alongside their expectancies before purchasing products or services (Kant & Jaiswl, 2017).

In today's challenging service-business world, it is imperative for every business to give its very best service quality in order to strive and please its customers. To make a business organisation successful in the long run, customers continuously play a vital role. As stated by Dahari, Abduh, and Fam (2015), to increase

customers' trust and be able to last, service quality is a need in every establishment. Customers' lifestyles and consumption forms support companies to deliver better service quality. Apart from that, service quality also emphasises efforts to satisfy customers' needs and the precision of delivery to balance customer expectation (Ali & Raza, 2015).

Postal service or the logistic service industry is also expected to provide valuable service quality to its customers. In providing high-quality services to customers, like other business trades, this industry also faces challenges. It is important to consider that service quality and customer satisfaction are closely linked. Organisations that offer a higher level of service quality will receive higher customer satisfaction (Jayaraman, Shankar, & Hor, 2011). Customers is the most important asset and if service quality is taken as an essential part of an organisation, customer satisfaction can be maintained (Naem, Adeel, Hammad, Wasim, & Tayyaba, 2016). Thus, giving the attention to existing customers is more profitable and covers least costs than attracting new customers. Customers' positive words to their relatives, friends, and family may influence customers buying products and services constantly as well as delivering good recommendations for the future enhancement of a company. In contrast, disappointed customers possibly change to other service providers or criticise if their services are lower than the customers' expectations.

LITERATURE REVIEW

Service quality

The service industry determines service quality as perceived by the 'eyes' of customers, which is complicated (Arora & Arora, 2015). Capability in giving better service quality can aid service trades to achieve aggressive improvement. Basically, customers' expectations of a service and how they perceive the performance of it is unalike with service quality. The idea of service quality remains a significant research area in marketing since it delivers valuable understandings on how customers' perceptions of services are (Joshi & Chadha, 2016; Kiumarsi, 2015).

As stated by Kumar (2018), delivering services is a continuous method of communication between services providers and their customers. Offering premium service quality in the service industry has been claimed to be crucial to gain a competitive advantage (Muala, 2016). Muala (2016) and Ngo and Nguyen (2016) have argued that customers' happiness is completely reliant on their observations and views concerning service quality after undergoing it. As mentioned by Kant and Jaiswal (2017) and Kumar (2018), there is a considerable relationship between customer satisfaction and service quality. The most common model used for determining service quality and customer satisfaction in service industries is SERVQUAL (Roslan et al., 2015; Gencer & Akkucuk, 2017). The model has been much widely used than other models since it is consistent, valid, and extensively applicable within service-sector organisations (Munusamy et al., 2010; Gencer & Akkucuk, 2017).

Reliability

The capability of service providers to offer committed products and services constantly and truthfully can be described as term reliability (Ngo & Nguyen, 2016). Provided reliable services will lead to customer satisfaction. Reliability refers to the efficient attainment of advantage assurance in a correct way, for example, giving speedy and safe interactions, a wide variation of items, and opening additional counters during peak time. The greatest thing influencing consumer satisfaction is the speediness of exchange (Janahi & Almubarak, 2017).

Responsiveness

Responsiveness includes services timeliness. Apart from that, responsiveness is also associated with considerate customers' wants, needs, and desires, staff consideration to customers, suitable operating hours, attending and solving customers' problems appropriately, as well as security and ease of transactions (Izogo & Ogba, 2015). Responsiveness is considered as the willingness of service providers in providing assistance. It comprises the ease of managements (El Saghier & Nathan, 2013). Additionally, it embraces seeing requests and needs of customers, useful working hours, remarkable consideration given by staff, and customers' well-being. Alnsour et al. (2014) have revealed in their previous study that responsiveness displays an important relationship with customer satisfaction.

Empathy

Empathy concerns about customer attention, wants, and problems, as well as efficiently tackling their desires, lesioning to the problems appropriately, caring, and resolving them (Izogo & Ogba, 2015). Rishi, Deepak, and Suyash (2017) have suggested that empathy embraces giving customers outstanding services, recognises the customers' preferences, and provides ease of doing-business hours. In addition, Alnsour et al. (2014) have stated that empathy is found to have a connection with customer satisfaction.

Assurance

Safety and guarantee by service providers can be defined as assurance. Kindness, validity, security, and capability are also included as the elements in assurance. The crucial aspects about assurance when customers receive services are knowledge and politeness of employees. Besides, the capability of employees to form confidence and trust in customers also matters (Izogo & Ogba, 2015).

Customer Satisfaction

Customer satisfaction is defined as a customer's pleasure or dissatisfaction which is created after the evaluation of a perceived service-quality performance and actual service delivered (Kotler et al., 2017). This assessment is also created based on a customers' pre-purchase comparison and expectation towards a real service carried out (Rao & Sahu, 2013). Hence, when a service offered fulfils a customer's need, satisfaction is formed, whereas disappointment is resulted from the failure of a service provider's performance versus customer expectation (Kim-Soon et al., 2014).

Customer satisfaction is a long-term key success for businesses (Arsanam & Yousapronpaiboon, 2014). To maintain and gain customer satisfaction, as well as to withstand its market shares, organisations are required to offer quality-based products and services (Khan & Fasih, 2014). Quality service delivery to customers provides businesses an opportunity to compare and distinguish themselves in extremely competitive markets (Muala, 2016).
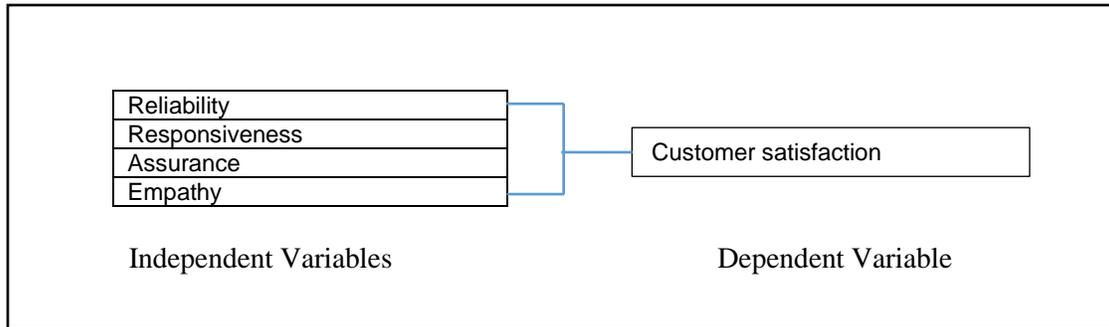
THEORETICAL FRAMEWORK

Figure 1: The theoretical framework of the SERVQUAL model and customer satisfaction

Figure 1 shows the proposed framework modified from the Parasuraman et al. (1991). The purpose of this study is to examine the influence of service quality elements, which are reliability, responsiveness, assurance, and empathy, towards customer satisfaction. Four hypotheses which have been established to be tested are as follows:

H_1:   Reliability positively influences customer satisfaction.
H_2:   Responsiveness positively influences customer satisfaction.
H_3:   Empathy positively influences customer satisfaction.
H_4:   Assurance positively influences customer satisfaction.

METHODOLOGY

Items and Dimension

A self-administered questionnaire is the instrument for this study. The questionnaire is employed by using the modified SERVQUAL (Parasuraman et al., 1991) model version that has been reduced into four dimensions, which are reliability, responsiveness, empathy, and assurance. The questionnaire consists of six sections. Section A consists of questions concerning the demographic background of the respondents. Sections B until E require the respondents to answer the questions regarding service-quality elements, namely reliability, responsiveness, empathy, and assurance respectively. The last section of the questionnaire concerns about customer satisfaction.

Population and sampling

This study used the convenient sampling technique. Customers who are currently living in Kuala Terengganu and have experienced using various services at Pos Malaysia Centre Kuala Terengganu were the respondents of this study. The target customers of Pos Malaysia Centre Kuala Terengganu have been projected to be almost 2,000 individuals per month. Hence, the sample of 360 customers has been chosen from the 2,000 population by using the Krejcie and Morgan sample size determination (1970).

FINDINGS

Demographic

Out of 360 questionnaires distributed, 322 sets were returned, which is equal to 89.44%, and the response rate is considered very good. More than half of the respondents (65.2%) are female while the rest are male. The majority of the respondents are Malay. In terms of marital status, 53.8% of the respondents are single whereas 42.5% are married. The highest age group of the respondents ranges from 21-29 years old. 33.2% of the respondents are self-employed, while others are students, officers, and people doing other occupations. 54.3% of the respondents use services at Pos Malaysia Centre Kuala Terengganu 1-2 times per month, followed by 24.5% of them who frequently use its services 3-6 times per month.

Reliability

The Cronbach's alpha coefficient was applied to compute the result in order to establish the extent to which the contents of the questionnaires had been reliable in producing correct responses.

Table 1: Reliability Analysis

Section	No. of Item	Alpha Value
B (A. Reliability)	5	0.892
B (B. Responsiveness)	5	0.892
C (A. Empathy)	5	0.878
C (B. Assurance)	5	0.890
D (Customer Satisfaction)	5	0.890

The table above indicates the Cronbach's Alpha reliability for all the variables. The result shows that the values are all above 0.6. Sekaran (2016) has stated that reliabilities of less than 0.6 are considered to be poor, 0.7 are acceptable, and above 0.8 are good. Thus, the reliability of the variables used in this is consistent and reliable since all the values are higher than 0.70 (Wulan & Husaeni, 2015).

Correlation Analysis

Table 2: Correlation Analysis (n=322)

No	Variable	Mean	Standard Deviation	Pearson's Correlation
1.	Reliability	2.0832	.60966	.698**
2.	Responsiveness	2.0106	.84384	.699**
3.	Empathy	2.2919	.63400	.678**
4.	Assurance	1.9720	.72719	.664**
5.	Customer Satisfaction	1.8397	.68647	-

**. Correlation is significant at the 0.01 level (2-tailed)

Correlations are used to explain the strength and direction of a linear relationship between two variables (Pallant, 2011). Pearson's correlation was used to investigate a relationship between service-quality determinants and customer satisfaction. Table 2 shows that all the correlation values are in a range between 0.664 and 0.699. The finding indicated that there is a positive correlation between the independent variables and dependent variable.

Table 3: Guilford's Rule of Thumb

R	Strength of Relationship
<0.20	Almost negotiable relationship
0.20 – 0.40	Low correlation; definite but small relationship
0.40 – 0.70	Moderate correlation; substantial relationship
0.70 – 0.90	High correlation; marked relationship

According to the Guilford's rule of thumb, the relationship between reliability, responsiveness, empathy, and assurance towards customer satisfaction represents a moderate, significant relationship.

Regression Analysis

Regression analysis is a modelling technique used to investigate a relationship between independent variables and a dependent variable. The percentage of the dependent variable enlightened by the independent variables can be measured by the regression analysis.

Table 4: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.794[a]	.631	.626	.51584

The influence of the four variables, namely reliability, responsiveness, empathy, and assurance, were tested by using regression. The percentage of variance in the dependent variable (customer satisfaction), which is explained by the variation in the independent variables, is described by the R square. Thus, it was found that 63.1% of the variance in customer satisfaction can be influenced by reliability, responsiveness, empathy, and assurance. In the meantime, the remaining 36.9% of the model was not enlightened by the independent variables in this study.

Table 5: Coefficient

Independent Variables	Beta Coefficient
Reliability	0.280
Responsiveness	0.289
Empathy	0.087
Assurance	0.262
Sig. F value	0.000

Note: significant levels: **$p < 0.01$, *$p < 0.05$

Table 5 illustrates that responsiveness (ß = 0.289, $p < 0.05$) significantly influences customer satisfaction, followed by reliability (ß = 0.280, $p < 0.05$), assurance (ß = 0.262, $p < 0.05$), and empathy (ß = 0.087, $p < 0.05$). Therefore, all the four hypotheses formulated for this study are supported.

DISCUSSION

This study has led the researcher to observe the relationship between service quality and customer satisfaction while using services at Pos Malaysia Centre Kuala Terengganu. The Pearson's correlation results demonstrate that all service-quality aspects are positively correlated with customer satisfaction. The findings are supported by previous studies that have specified that all the elements on service quality have a substantially positive effect on customer satisfaction even though not all the elements give an equal impact on it (Tan & Maran, 2014).

Apart from that, the regression analysis has revealed that among the other service-quality determinants, responsiveness greatly influences customer satisfaction. Usually, customers prefer a welcoming atmosphere in which service providers are keen to assist their customers during the service process. In the interim, readiness to help customers is expected to develop positive satisfaction of customers. Furthermore, paying attention to the other elements of service quality, for instance, reliability, assurance, and empathy, is also important for the management to consider since the level of customer satisfaction is also contributed by these factors.

CONCLUSION AND RECOMMENDATION

The aspects of service quality are crucial in today's competitive market. The 'wow' factor that customers experience is equally imperative to service providers in delivering their superior services. This study has discovered that all four SERVQUAL dimensions have positive and significant relationship with customer satisfaction. This has suggested that service quality leads to customer satisfaction. The most influential factor of service quality is responsiveness. This finding is also supported by previous scholars, as well as other researches literature, on service quality. It can be recommended that the management of service providers should improve their promised effective services. Emphasis needs to be given to a timely manner service to customers. Meanwhile, the rapid of exchange and performance is the greatest thing impacting customer satisfaction (Janahi & Almubarak, 2017). Since the most significant factor contributing to customer satisfaction is responsiveness, any actions concentrating on refining staff's problem-solving skills should be taken into consideration by the management team in order to build customers' trust while delivering prompt services without problems and mistakes. Anticipating customers' needs, understanding, and listening to them will lead to their satisfaction.

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