

Does Service Quality Dimensions Matter for Customer Satisfaction? ...

Does Service Quality Dimensions Matter for Customer Satisfaction? Evidence from Higher Education Institutes

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Abstract

Purpose of present to examines the role service quality dimensions for customer satisfaction of higher universities/Institutes of Sindh, Pakistan. Data gathered via adopted questionnaire from previous studies and convenience sampling strategy is applied. Total 200 customers were requested with help of HR officers at their respective universities/Institutes. Findings revealed all service quality dimensions have shown significant and positive effect including Reliability, Responsiveness, Assurance, Empathy and Tangibility on customer satisfaction in context of higher education institutes Sindh, Pakistan. However, the empathy has higher beta value that determine the higher importance with respect to others variables. The Higher Education Institutes policy makers should consider these variables into future policies for better market shares of higher education institutes Sindh, Pakistan.

Keywords: Assurance; Empathy; Tangibility; Reliability; Responsiveness

1. Introduction

The customer satisfaction is the bottom line of his or her after using the goods and service (George and Kumar, 2014). However, it is an individual judgment that depends on what is being offered by companies and what customer was expecting from that particular goods and services. If the performance meets or match with customers' expectation than he or she might happy and delighted (Kotler et al., 2009). In simple words due to higher competition in banking industry particularly in terms of traditional banking and islamic banking perspective. It is nowadays very important for them find the service quality factors for customer satisfaction (Choudhury, 2008).

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Some American authors, Parasuraman et al., (1985), developed the SERVQUAL model. It focuses on the essential factors of high quality service. Parasuraman identified that there ten basic service-quality dimensions. But later Parasuraman et.al confined it into only 5 service quality dimensions. These dimensions are empathy, responsiveness, assurance, tangibility and reliability. Parasuraman et al., (1988) suggested that fulfilling customer-expectations in each of these dimensions can significantly influence customer satisfaction. According to Parasuraman et al., (1988), service-quality dimensions are defined as:

- (i) Reliability: The capability to deliver the committed services reliably and properly.
- (ii) Responsiveness: The willingness to serve customers and to deliver services quickly.
- (iii) Assurance: The behavior and information of staff members and their capability to express trust and confidence.
- (iv) Empathy: The act of understanding and considering customer's feelings and providing individual attention to customers.
- (v) Tangibility: The existence of physical facilities, personnel, tools and equipment.

Aim of this study to examine service quality dimensions' impact on customer satisfaction higher education institutes Sindh, Pakistan. Previous studies have been conducted mainly on manufacturing sector. Lastly Based on authors limited knowledge this is first that is conducted in two major cities of Sindh, Karachi and Hyderabad's higher education institutes. Rest of paper as follows: Section 2 explains the related studies, Section 3 elaborate the methodology, Section 4 results and finally section 5 concluding Remarks.

2. Related Studies

2.1. Reliability

The SERVQUAL model has been applied and results confirmed the there is a positive and significant impact on customer satisfaction. Similarly, these service quality dimensions also found to have positive impact on customer loyalty as well Quddus and Hudrasyah (2014). In addition, study conducted in Nigerian telecom industry impact of service quality on customer satisfaction and findings recommended that the customer feedback should be taken into consideration for better market share in future Ojo (2010). Moreover, the service quality and customer satisfaction studied in India. In the sample both private and public banks are considered. Results revealed that the service quality has more significant impact on private banks as compare to public banks (Yadav and Rai, 2015). Based on this study it has been recommended that public sector banks could increase level of their customer-satisfaction by providing good quality services. Based on above past studies following alternative hypothesis has been developed.

H1: Reliability positively relate to customer satisfaction.

2.2. Responsiveness

The empirical study was conducted on commercial banks of Karachi, Pakistan. Results of this study also confirmed the positive and significant impact of responsiveness on customer satisfaction Wrtiz (2003). Similar to this study another study carried in Ethiopia and results revealed that the responsiveness leads to better customer satisfaction and it will turn into customer loyalty in future too Shanka (2012). In addition, study conducted on private school

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colleges and findings again confirmed the role responsiveness on customer satisfaction. Therefore, it is recommended that the top management should consider responsiveness as an important tool for future strategies and it can play an important in service sector oriented firms Bharwana et. al., (2013). Based on above past studies following alternative hypothesis has been proposed.

H2: Responsiveness positively relate to customer satisfaction.

2.3. Assurance

The related study carried on banking sector. Findings revealed negative and significant impact of assurance on customer satisfaction in banking sector. Findings of this study was against the basic theoretical principles (Ajmal et. al., 2018). In addition, another study conducted role of service quality on restaurant industry. Results of this study revealed that the positive and significant impact of assurance on customer satisfaction in restaurant industry. upper management of the restaurant industry should have to perceive the concept that, customers may get satisfied with the food quality, but the poor quality of services would still affect customer satisfaction negatively (Murad and Ali, 2015). Furthermore, similar study was conducted in Banking sector. Findings confirmed that the it would be helpful by for the banking sector to reshape and prioritize its service-quality and create proper strategies for promotions by considering related concepts of service-quality and customer-satisfaction Adil (2013). Based on above past studies following alternative hypothesis has been developed.

H3: Assurance positively relate to customer satisfaction.

2.4. Empathy

The study conducted in on private commercial banks of Bangladesh and in this study service quality dimensions and customer satisfaction were studied. Based on this study, it is highly recommended that the for achieving the better customer satisfaction banks should be focus on empathy in terms of understanding the customers and address their problems on timely manner Sarker and Uddin (2017). In addition, to this study similarly, study conducted in Ethiopia on private commercial banks. The study showed that reliability, empathy, and responsiveness were found influencing on customer satisfaction (Dawit and Adem, 2018). Lastly, study carried in India on ICICI banks to determine the impact of service quality on customer satisfaction. It has long been accepted that service quality is the main marketing tool for bankers to create competitive advantage. Therefore, monitoring and maintaining service quality time to time is necessary (Kumar and Manjunath, 2012). Based on above past studies following alternative hypothesis has been proposed.

H4: Empathy positively relate to customer satisfaction.

2.5. Tangibility

A study conducted in Chittagong. All dimensions of the independent variable, service-quality is showed positively related in regard of customer-satisfaction, while tangibility was found to be most influential on customer-satisfaction. It has been recommended that in order to satisfy the customers the beauty parlors should consider the stated service-quality dimensions (Sultana et. al., 2016). Furthermore, a study conducted on tourism of Bangladesh and service quality and customer satisfaction studied. This study showed that all the

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dimensions of service-quality have significant influence on customer-satisfaction. This study will guide and direct the policy makers to make comprehensive planning and strategy how to serve tourists better (Masrurul, 2019). Lastly, study conducted in Malaysia in automotive insurance companies for examining the impact of service quality dimension on customer satisfactions. It is expected that other financial service companies can get benefit from this study to measure and increase their level of customer-satisfaction level with improved service performance (Arokiasamy and Tat (2014). Based on above past studies following alternative hypothesis has been proposed.

H5: Tangibility positively relate to customer satisfaction.**3. Methodology**

Authors decided to collect the primary data with keeping in view the objective of studies. In order to have reliable data the expert suggested for the adaptation of research instrument from past related studies. HR officers at higher education institutes Sindh, Pakistan were requested to fill the printed questionnaire on five likert scale from strongly disagree to strongly agree points. Due to time constraints and difficult to find out the right respondents the convenience sampling strategy is applied in order to test the proposed hypothesis. Total two fifty respondents were requested to fill the print questionnaire within working hours of banks from 9 am to 5 pm and data collected from June 2021 to July 2021 (one month).

4. Results and Discussion**4.1. Reliability Analysis***Table 1: Reliability Analysis*

	Variables	Number of items	Cronbach's Alpha Value
1.	Customer Satisfaction	4	0.732
2.	Reliability	4	0.789
3.	Responsiveness	4	0.850
4.	Assurance	4	0.714
5.	Empathy	4	0.743
6.	Tangibility	3	0.807

Source: Author's Estimations

Reliability of test is an important for checking the internal consistency of collected data. The reliability analysis was performed and decision criteria was that the Cronbach's alpha value must be equal or greater than 0.70. All the studied variables qualify the recommended criteria and they are found more than 0.70 the highest responsiveness with 0.850 and lowest assurance 0.714. It can be said all gathered data is reliable and further test can be applied.

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4.2. Multiple Regression Analysis

4.2.1. Model Summary

Table 2: Model Summary

Variables	R ²
Reliability	0.508
Responsiveness	
Assurance	
Empathy	
Tangibility	

Source: Author's Estimations

The fitness of model is suggested before concluding the proposed hypothesis. In the regard the value of r-square is to be check and ideally in social sciences it should be greater than 10%. Table 2 revealed that the in the present study r-square value is 50.8% so, authors have concluded the fit ness of model for this study.

4.2.3. Coefficients

Table 3: Coefficients

Model	Standardized Coefficients	Sig.
	Beta	
(Constant)		.313
Reliability	0.06	.001
Responsiveness	0.12	.000
Assurance	0.18	.034
Empathy	0.45	.000
Tangibility	0.30	.000

Source: Author's Estimations

The proposed hypothesis was tested by applying multiple regression in SPSS version 25. In Table 3 beta value and p-value are considered for determine the relationship and impact between independent variables and dependent variable. It can be noticed all independent variables including Reliability, Responsiveness, Assurance, Empathy and Tangibility have

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positive and significant impact on dependent variable customer satisfaction in context of Islamic banks of Sindh, Pakistan.

4.2.3. Hypothesis Testing

Table 5: Hypothesis Testing

	Independent Variables	Hypothesis	Remarks
1.	Reliability	H1	Accepted
2.	Responsiveness	H2	Accepted
3.	Assurance	H3	Accepted
4.	Empathy	H4	Accepted
5.	Tangibility	H5	Accepted

5. Concluding Remarks

In the present study suggested all service quality dimensions do matters for customer satisfaction in higher education institutes Sindh, Pakistan. However, the empathy has higher beta value that determine the higher importance with respect to others variables and reliability is found least importance by higher education institutes Sindh, Pakistan due lower value of beta. In order to have better market shares higher education institutes Sindh, Pakistan should work on reliability of their services.

5.1. Future Recommendation

- This study limited to sample of 200 higher education universities/institutes, in future more respondents can be added for verifying the present study’s final results.
- The private universities/institutes and public universities/institutes comparative analysis also can be performed.
- This study limited to direct effect between independent variables and dependent variable, in future mediation analysis can be performed.

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