The Influence of Service and Product Quality on Customer Satisfaction: A Study of UBA-Ventures PLC Bambili, Cameroon

VISION STRATEGY RESEARCH

The Influence of Service and Product Quality on Customer Satisfaction: A Study of UBA-Ventures PLC Bambili, Cameroon

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Abstract

Purpose: Service quality and customer satisfaction are very important concepts that companies must understand if they are to grow and remain competitive in the business environment. Service and product quality is considered to be very critical to any modern business because it contributes to higher customer's satisfaction. The purpose of this study was to find out the implication of service and product quality on consumers' satisfaction, particular focus was placed on variables like responsiveness, reliability, empathy and how they affect consumers' satisfaction.

Methodology: To accomplish this task both quantitative and qualitative research approaches were applied. A sample of 150 respondents was selected from the customers of UBa ventures PLC Bambili using a simple random sampling technique. Questionnaire was the main instrument for data collection for the study. The data collected was analyzed using both descriptive and inferential statistics. The ordinary least square (OLS) was use to verify the

Findings: We observed that, responsiveness, reliability has a positive effect and empathy has a negative effect in predicting customer satisfaction. From the finding, the results also reveal an interesting relationship between service and product quality on customer satisfaction. We observe that all the indicators of service and product quality have significant effect on customer satisfaction, thus this findings can help organization gain competitive advantage by improving their service and product quality in terms of reliability, responsiveness and empathy

Unique Contribution to Theory, Policy and Practice: It was recommended that, hospitality industries should create a complaint desk where customers can register their complaints and a systematic procedure to handle customer's complaints. Also, proper explanation and use of a well understood language is vital for effective communication of employees. Management should put in place strict guidelines to be followed while dealing with customer's complaints to be satisfactorily handled and thus increase the level of customer satisfaction.

Keywords: *Service Quality, Product Quality, Customer Satisfaction*

1. INTRODUCTION

The hospitality industry is constantly undergoing change, as time changes, so do the needs and expectations of customers. Organizations continuously strive to increase their customer base. They provide products and services to fulfill different needs of the customers. The focus is now moving from short-term satisfaction to long-term relationship between the firm and its customers (Grönroos, 2000). Finding new customers is important for a business, but equally important is keeping the old customers since many researchers found that focus on customer retention has resulted in economic benefits (Buttle, 2004; Dawkins and Reichheld, 1990).

With the change of time and situation, the scenario of business world is increasingly being competitive. On the contrary, due to globalization and internationalization the competitiveness of business environment, either from national or international market, strongly motivates or develops the awareness about the consumer right along with their expectations and demands (Smith, 1989; Sellers, 1990). According to Berry (1986), it would be beneficial to categorize this concept into two identical terms as ``goods'' or ``services''; however, in real life retailers still offer for some form of service in order to motivate and facilitate higher level of sale of goods leading to have the relative influence in customer retention. As such, UBa Ventures PLC which is key players in this industry should update their products, especially their service quality to match the needs and expectations of customers to ensure a high level of customer satisfaction. Satisfied customers are likely to be loyal, make repeated orders and use a wide ranch of service and products offered by a business.

Competition in the marketing environment of service quality is more competitive than the product quality (Zeithaml, 2011) because of its' special characteristics such as reliability, responsiveness and empathy. The arrival of new companies in the market with almost similar services and products has led to very high competition in terms of services and products delivered have made the customers with a number of choices or options which has equipped them with high bargaining power. Service and product organizations are seeking ways to forge and to maintain a long lasting relationship with their customers in order to protect their long term interest (Kandampully, 1998). Retaining old customer or existing customer is cheaper than attracting new customers. This reveals the need for service and product organization to keep on improving their services and increasing their product quality to building long-term customer relationships.

Service and product quality are important factors of customer satisfaction which has an impact on customer (Bloemer, 1998). It is also considered as a prerequisite for retaining and satisfying the valued customers and also to help the service and product organization to gain competitive advantage (Guo, and Hair, 2008). Therefore, this is an attractive area for researchers in the hospitality sector (Bloemeret al, 2002). Business organizations or marketers also started to realize the significance of service and product quality to their business. To realize customer satisfaction, management should meet the diverse customer demands. According to Parasuraman, Zeithaml, and Berry (1985) service and product quality is positively related to customer satisfaction because improved service and product quality could enhance customer satisfacton.

Customer service is an organization's ability to supply their Customers wants and needs. (Kotler, 2000) defines customer service as a service that an organization can offer to a customer which is essentially intangible and does not result to the ownership of anything but brings about customer satisfaction. This therefore means that all the interactions between the service providers and

customers should strive towards the satisfaction of the customer to build a long-lasting relationship.

A customer is defined as anyone who receives that which is produced by an individual or organization that has value (Anshori and Langner, 2007). Customers' expectations are continuously increasing. Customers seek out service and products and producers that can satisfy their requirements. The modern concept of customer service has its roots in the craftsman Economy around the 1800s, when individuals and small groups of manufacturer have competed to produce arts and craft to meet public demands. The manufacturer could meet the customers on one to one basis and talk to customers to understand them and get all details. But then with the advent of industrial Revolution in the early 20th century, technology was fast growing so it became difficult to provide individual needs of the customers. This was followed by an increase in the demand for goods and services after World War II in 1945.

Statement of the Problem

Given the complexity and highly competitive nature of the companies, Companies are faced with the challenge of revising their customer service and product quality by increasing the number of services and improving on the quality of the already existing services and products to provide customers with exceedingly satisfactory experience. This task is usually not an easy one for many companies because Customers needs are constantly changing and management staffs for should anticipate these needs to meet or exceed customers' expectations.

UBA Ventures PLC is unable to gain competitive advantage since some customers still patronise the services of its competitors. Failure to do so will probably cause customers to seek the services of competitors. On daily basis, many Cameroonians complain loudly about poor treatment of customers by service providers. A common trend among customer's who patronize the services of UBa Ventures PLC either complain of responsiveness (ability and willingness to aid customers and provide apt service as promised), reliability (speed and accuracy), and empathy (attention and priority the organization gives to the needs and requests of the customer).

These factors are very important in measuring service and product quality as these dimensions suggest an item scale for measuring the quality of product and service as per the customer perceptions. They also help in knowing the customer, and that is why they are integral parts of services and product marketing. The problem on how to know which service and product to offer and to what extent have always resulted in an attempt to make consumer loyal to services. Because of this, the following research questions were developed what is the influence of empathy on customer satisfaction in UBa-Ventures PLC? What is the influence of reliability on customer satisfaction in UBa-Ventures PLC.? Does responsiveness influence customer satisfaction in UBa-Ventures PLC? It is due to this that the researcher seeks to carry out this study on the Influence of Service Quality on Customer Satisfaction in UBa Ventures PLC.

Objectives of the Study

The main objective of this study is to investigate the influence of service and product quality on customer satisfaction, taking UBa Ventures PLC as case study.

The specific objective includes;

➢ To evaluate the influence of responsiveness on customer satisfaction.

➢   To determine the influence of reliability on customer satisfaction

➢   To assess the influence of empathy on customer satisfaction

Hypotheses

The research is based on the following alternative hypotheses:

H_a1: Responsiveness has a positive significant effect on customers' satisfaction

H_a2: Reliability has a positive significant on customers' satisfaction

H_a3: Empathy has a positive significant on customers' satisfaction

2. LITERATURE REVIEW

Service Quality

During past few decades service quality has drawn lots of attention from practitioners and researchers due to its importance. Gronroos (1984) defined service quality as the outcome of the evaluation process, where the customer compares his expectation with the service he perceives while he actually received. Here, the expectation of a customer regarding the service is compared with his/ her actual perception of the service. Similarly, Parasuraman Berry and Zeithaml (1988) delineated the service quality as the consumer's overall evaluation of a specific service firm that results from comparing that firm's performance with the customers' general expectations of how firms in that industry should perform.

Product Quality

Product quality can also be defined as an extent to which a product succeeds to meet the needs of the customer (Lemmink & Kasper, 1994). According to product based approach, the quality is the root of economics and the variation in quality of product are the reflection for differentiation in quality (Garvin, 1984). Product quality is one of the important tools to maintain the competitive advantage in market which is designed to undergo the product development process to achieve the consumer satisfaction and upgrade the quality in performance (Benson et al., 1991; Flynn et al., 1994).

Customer Satisfaction

Customer satisfaction refers to the outcome of customer's perception of the value received in a transaction, where value equals perceived service quality, compared to the value expected from the transaction with competing vendors. Per Oliver (1997) satisfaction is the consumers' fulfilment response. It is a judgement that a product or service feature provided or service itself provides a pleasurable level of consumption-related fulfillment be successful in the market it is not only sufficient to attract new customers', managers must concentrate on retaining existing customers by implementing effective polices of customer satisfaction and loyalty. In service industry customer satisfaction is largely hooked upon quality of service. Because of this, providing high quality services and improving customer's satisfaction are widely recognized as fundamental factors boosting the performance of companies in the service industry.

2.1 Conceptual Model

The following figure shows the conceptual framework of the study.
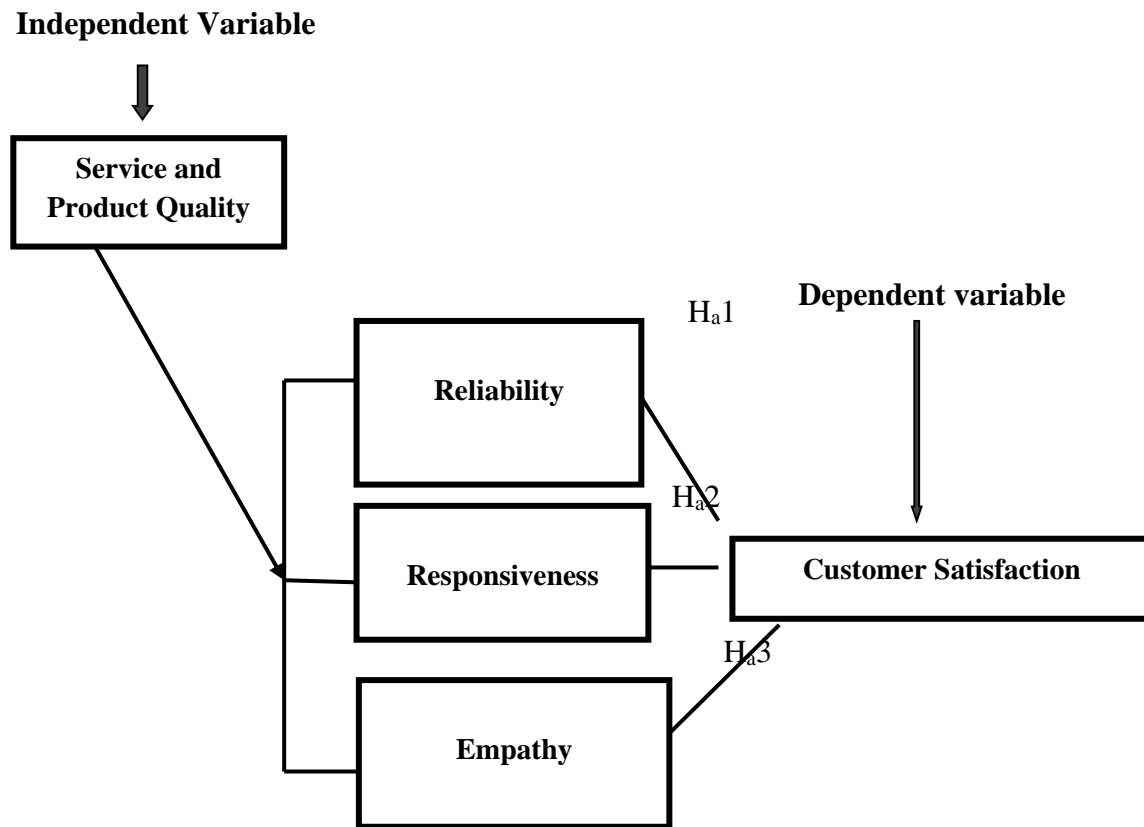
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Figure 1: Conceptual Framework

2.2 Empirical Literature Review

Petr, Jiri and Maria (2014) present an analysis of quality, customer satisfaction and business performance in food industry. The main objective of the research is to determine the influence of quality on customer satisfaction and on business performance and competitiveness. In particular, this paper answers the following research question: Does the quality of a product result in a satisfied customer and thereby in a well-performing business? Therefore, satisfaction was examined by the means of a survey using questionnaires, and the performance was measured by financial data. They managed to find a correlation between the main factors, although partial results were due more factors mostly statistically insignificant.

Euphemia and Sian (2010) examine the impacts of the retail service quality dimension (that is, Personal Interaction, Policy, Physical Aspects, Reliability and Problem Solving) and the product quality dimension (including Features, Aesthetics and Customer-perceived Quality) on customer loyalty. It focuses on the store and staff levels of retail relationships, in particular on a specific sector of the retail industry, the curtain retail sector.

Data were collected through a survey of existing customers of a window fashion gallery and further coded using the Statistical Package for the social sciences. The study shows that only three dimensions (Physical Aspects, Reliability and Problem Solving) are positively related to customer loyalty to store, and one dimension (Personal Interaction) of retail service quality is positively associated with customer loyalty to staff. By contributing to the body of knowledge in this area, this research adds significant and valuable information on the marketing behaviour of customers in the curtain industry, which will be novel to many readers.

3. Methodology

The population targeted in this study was customers who consumed and patronize the products and services of UBa-Ventures PLC Bambili. UBa Ventures PLC is a public limited company that renders general supplies. They render services such as catering, restoration and they also act as consultants and also deliver products of all types, The simple random sampling technique was used to enable the researcher select the sample out of the population that is best for this study and to ensure that respondent were actual customers of UBa-Ventures PLC who will provide reliable and valid information on the Influence of Service and product quality on Customer Satisfaction.

The sampling size was made up of 150 questionnaires. The purpose of this sampling is such that each customer of UBa-ventures has the same probability of been selected to answer the questionnaires. A survey questionnaire was the main tool used in the collection of primary data, the items on the questionnaire were structured into five Likert scales namely: strongly disagree, disagree, neutral, agree, and strongly agree, the data were quantified, coded and keyed in the Statistical Package for Social Sciences [SPSS] version 21 software to obtain the quantitative data

3.1 Limitation of the study

Due to the socio - political unrest and the COVID –19 Pandemic, there was a lot of restriction to get to some potential customers this situation compelled the researcher to spend longer time to collect data. During the research process, the researcher encountered numerous challenges. During questionnaires administration, some selected respondents in the population were feeling reluctant to answer the questionnaires because of fear. This really caused a slowdown in the data collection process and an increase in costs to the detriment of the researcher.

The weakness of primary data is the cost and time spent on data collection. Primary data incur so much cost and takes time because of the processes involved in carrying out primary research, printing out questionnaires and making sure it reaches its target population. Also, the time to collect this primary data is long and time draining. With the quantitative analysis, it is also time consuming and also it can overlook broader themes and relationship in its pursuit of concrete statistical relationships and it causes us sometimes to miss the big picture information. In the quantitative analysis, there is also much difficulty is setting up a research model. And lastly, at times the researcher can be biased while carrying out research and it can cause misleading.

4. Data Analysis/Findings

The data collected was edited, coded, tabulated, and presented for analysis. The study used descriptive statistics along with inferential analysis. In line with research objectives specifically percentages, mean scores and standard deviation was computed for describing the profile of respondents and scale item. OLS (Ordinal Least Square techniques was used to examine the effect of independent variables (responsiveness, reliability and empathy) on the dependent variable

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(customer satisfaction). The Ordinal Least Square (OLS) technique was used to test hypotheses because of its BLUE properties and it gives consistent and unbiased estimates of the variables.

4.1 Regression Analysis

The study sought to investigate the influence of service and product quality on customer satisfaction, taking UBa Ventures PLC as case study

Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.776[a]	.602	.580	.40792	1.686

a. Predictors: (Constant), Responsiveness, Reliability, Empathy
b. Dependent Variable: Customer Satisfaction

The adjusted R^2 shows the degree of variation in customer satisfaction that can be explained by variation in service and product quality. Inferring from the adjusted R^2 (Coefficient of multiple determination), 60.2% of variations in customer satisfaction is accounted for or explained by variations in in service and product quality (Responsiveness, reliability and empathy). Also, 39.8% of variations in customer satisfaction is accounted for by variations in other variables different from facets of service and product quality. This is known as the coefficient of non-determination. This can be concluded that UBa-Ventures has an important role to play when it comes to customer satisfaction

4.2 Analysis of Variance

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.425	3	4.571	27.469	.001[b]
	Residual	18.137	109	.166		
	Total	45.562	115			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Responsiveness, Reliability, Empathy

The Total variance (45.562) was the difference into the variance which can be explained by the independent variables (Model) and the variance which was not explained by the independent variables (Error). Table shows F-test (F=27.469, P=0.01< 0.05) which indicated that the model formed between factors influencing linkage of service and product quality on customer satisfaction level was a good fit for the data. The strength of variation of the predictor values on customer satisfaction was significant at P= 0.01

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	.174	.412		.423	.673	-.642	.990
	Responsiveness	.453	.103	.384	4.381	.000	.248	.658
	Reliability	.176	.083	.139	2.138	.003	.013	.340
	Empathy	-.317	.124	-.203	-2.557	.067	-.563	-.071

a. Dependent Variable: Customer Satisfaction

Source: Field Data, 2020

Considering the results presented on table, representing the OLS results, the findings portrays that there is a positive effect of responsiveness on customer satisfaction. That is an increase in responsiveness will increase customer satisfaction by 0.453 unit which is significant at 1%. This implies that an Increase in responsiveness will increase customer satisfaction of UBa-Ventures. Hence, responsiveness is surprising seen as increasing customer satisfaction against the apriori expectations. (r= .453, p=0.000<0.05).

From the second objective of this study to determine the influence of reliability on customer satisfaction, the results indicate a Positive effect of reliability on customer satisfaction of UBa-Ventures (r= .176, p=0.003<0.05). That is a unit increase in reliability will Increase customer satisfaction by 0.176 units which is significant at 3%. Hence, reliability is seen as increasing customer satisfaction against the apriori expectations.

In another aspect, our third objective was to assess the influence of empathy on customers' satisfaction. Empathy has a negative effect on customer satisfaction. That is, when empathy increases, customer satisfaction will reduce (r= -.317, p=0.067<0.05).More specifically, a unit increase in the empathy will reduce customer satisfaction by -0.317 units.

5. Conclusion

Results obtained from the influence on service and product quality on customer satisfaction permitted us to make the following conclusions. From the finding, the results also reveal an interesting relationship between service and product quality on customer satisfaction. We observe that all the indicators of service and product quality have significant effect on customer satisfaction.; Looking at the results with regards to the quality of service and product provided by the staffs and management of UBa Ventures PLC Bambili, which was determined in terms of responsiveness, reliability and empathy, The results presented reveal that responsiveness, reliability has a positive effect and empathy has a negative effect in predicting customer satisfaction in UBA-Ventures PLC

6. Implications

This study revealed the applicability of the SERVQUAL model of 22 items of (Parasuraman et al. 1988) in the Cameroon context. This study is in conformity the service quality dimensions namely,

reliability, responsiveness and empathy in public limited companies in the context of Cameroon, proving service quality and product quality as a concepts. The current study narrowed the empirical gap by exploring the role of service quality on customer customer satisfaction. Since UBA-Ventures PLC more or less similar in the competitive to other hospitality industry can differentiate itself from another only through the quality of the service and product they deliver. Developing higher levels of service and product quality in the hospitality industry will leads to enhance customer satisfaction.

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