THE RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION IN REFERENCE WITH BANGLADESHI BEAUTY PARLORS

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ABSTRACT

The aims of this paper are to study customer perception on tangibility, reliability, responsiveness, assurance and empathy in beauty parlors in Bangladesh using SERVQUAL (Service Quality) model and also evaluate the impact of service quality factors on customers' satisfaction. To achieve these aims, total 162 customers of ten beauty parlors in Bangladesh have been considered. To measure the customers' perception, individual factor mean score has been calculated and to evaluate the impact of service quality factors on customers' satisfaction, multiples regress model has been applied. The finding shows that responsiveness is having the highest mean score among five factors. Another finding is only empathy factor has significant influence on customers' satisfaction. These findings are helpful for the beauty parlors to concentrate on the required improvement areas.

KEYWORDS: SERVQUAL model, Service quality, Customers' satisfaction, Beauty parlors.

INTRODUCTION

The beauty care industry is one of the fastest growing industries of our country. The lifestyle of the people of Bangladesh have changed rapidly over the past few years; people are realizing the importance of good health and presentation and thus becoming more and more concerned about their health and beauty. People have more access to information and media, which makes them more conscious about their well-being, leading to a change in perception. Personal care industry is now a USD 10 billion plus industry in Bangladesh, providing employment for an estimated 100,000 women (Akter, 2009). Thousands of beauty-care service providers or beauty parlors/salons have sprung up all over the country in the last decade (Akter, 2009; Akter, 2008).

It has become very critical for these salons to identify the dimensions of services on which the clientele give most emphasis in order to decide on the quality and thus work harder to excel on those

ground in order to attain the competitive edge. There has been evidence that, when customers' perceptions of service quality are positive, the behavioral intentions are favorable, which strengthens their relationship with the organization (Zeithaml & Bitner, 2003). On the other hand, when service-quality assessments are negative, the customers' behavioral intentions are unfavorable (Kouthouris & Alexandris, 2005).

The broad objective of this research is to measure the service quality and customer satisfaction level of high end women's parlors in Dhaka. The specific objectives are (a) to assess the importance of different attributes that the customers consider when choosing a parlor, (b) to evaluate the service quality level by ranking the SERVQUAL criteria and to measure the extent of customer satisfaction, and (c) to reveal the specific service quality variables, which are working as the components of the final factors that create customer satisfaction. This attempt can facilitate the performance of beauty-care service providers in Bangladesh in terms of enhancing service quality and creating loyal customers.

OBJECTIVES OF THE STUDY

1. To study customer perception on tangibility, reliability, responsiveness, assurance and empathy in beauty parlors in Bangladesh using SERVQUAL model.
2. To evaluate the impact of service quality factors on customer satisfaction.

METHODOLOGY OF THE STUDY

Sample size:-

Convenient sampling was carried out and the questionnaire was personally administered with 162 customers in 10 beauty parlors in Bangladesh explaining the purpose of this study.

Data collection:-

In order to fulfill the proposed research objectives, this empirical research was carried out with the primary data collected through a well designed questionnaire (see APPENDIX). It contains twenty two items compiled with service quality factors (Tangibility- (4), Reliability-(5), Responsiveness- (4), Assurance- (4), Empathy-(5). All these variables under five factors were measured with 5-point Likert-type scale ranging from 1-Strongly Disagree to 5- Strongly Agree.

Secondary sources are different local and international published articles, websites, seminar papers dealing with service quality of beauty parlors.

Data analysis:-

To study customer perception on tangibility, reliability, responsiveness, assurance and empathy in beauty parlors in Bangladesh using SERVQUAL model, arithmetic mean score has been calculated. To evaluate the impact of service quality factors on customer satisfaction, multiple regression analysis has been applied. Because regression analysis is a statistical process for estimating the relationships among variables. Its focus is on the relationship between a dependent variable and one or more independent variables. More specifically, regression analysis helps one understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed. In this study dependent variable is customer satisfaction and independent variables are tangibility, reliability, responsiveness, assurance and empathy.

Study period:-

From June to November, 2014.

FINDINGS AND ANALYSIS

The mean of the perceptions on service quality dimensions are analyzed by finding the arithmetic mean value of the variables of each factor and the result SERVQUAL score is listed below:

Table-1: Perception of the customers on Service Quality

SL no.	Service quality dimensions	Mean score
1	Tangibility	3.88
2	Reliability	3.82
3	Responsiveness	4.15
4	Assurance	3.95
5	Empathy	3.82

In this table, it is seen out of the five factors, responsiveness is having the highest score of SERVQUAL (4.15). It means customers are satisfied with service provider's willingness to help customers and provide prompt service of the beauty parlors. Next to this, assurance (3.95) and tangibility (3.88) and the lowest score is 3.82 regarding reliability and empathy. From the assessment of the score, SERVQUAL shows the factors reliability and empathy dimensions need to be concentrated and require more resources as it is having lowest perception score.

The following hypotheses have been formulated to develop the empirical model of the study. It is noteworthy that all these factors are interrelated but some factors affect customer satisfaction significantly and some insignificantly. The hypotheses are as follows:

H_1 = Effect of tangibility factor is significant to establish customer satisfaction.

H_2 = Effect of reliability factor is significant to establish customer satisfaction.

H_3 = Effect of responsiveness factor is significant to establish customer satisfaction.

H_4 = Effect of assurance factor is significant to establish customer satisfaction.

H_5 = Effect of empathy factor is significant to establish customer satisfaction.

To examine the affects of the factors on customer satisfaction in beauty parlors of Bangladesh empirically, multiple regression model has been used.

The study assumes that the important factors which affect the customer satisfaction of beauty parlors are tangibility, reliability, responsiveness, assurance and empathy. Therefore, the model is specified as follows:

$CL = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$

Where,

CL = Customer satisfaction.

β_0 = Constant

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = Estimated coefficients for the given factors

X_1 = Tangibility

X_2 = Reliability

X_3 = Responsiveness

X_4 = Assurance

X_5 = Empathy

e = error term

Table-2: Result of Multiple Regression Model

Factors	Standardized coefficient	Significance
Constant		.000
Tangibility	-.073	.363
Reliability	.106	.209
Responsiveness	-.072	.342
Assurance	-.055	.489
Empathy	-.363	.000
Adjusted R^2	.097.	
F statistic	4.38	

The regression result shows that the multiple regression model is not so significant. The coefficient of determination indicates that only 9.7% percent of the variation in the customer satisfaction of beauty parlors in Bangladesh is explained by variations in the independent variables.

The above table shows that among important five factors, empathy factor has significant influence on customer satisfaction at 99% level of confidence. So, it can be concluded that though satisfaction depends on five factors, empathy factor has strong influence on customer satisfaction while other factors have very insignificant influence. It means the caring, individualized attention the service provider gives to its customers' satisfaction. This finding reveals that customer satisfaction not only depends on service quality factors, there are also much more things such as political, social, economic factors which the customers consider.

CONCLUSION AND RECOMMENDATIONS

Customer satisfaction is the degree to which customers experience positive feelings for and exhibit positive behaviors toward a company/brand. In this regard, it is found in the study that customers are perceived on an average level. This perception affects the customers' satisfaction. The findings reveal that among five factors, four factors have insignificant influence on customers' satisfaction. Therefore, the beauty parlor should give more concentration on these four factors as well as other factors which the customers consider more important such as beauty parlors' service price.

As a marketing manager in the beauty parlor, it is important that all the dimensions in a service quality model be strictly followed and implemented successfully. Assurance, reliability, tangibility, empathy, responsiveness are all equally important for customers' satisfaction. Marketing managers should not only focus on the beauty parlor's objective of profits and gains, but must also look into the needs of the customers as well. Market perception and customer expectation can change rapidly from time to time; perhaps there will be a new trend in the near future.

This paper attempts to illustrate the attributes that customers expect to evaluate or select a beauty parlor for their service. The current study however has some limitations. This study dealt with the customer perception towards service quality and its impact on satisfaction in ten beauty parlors based on the 162 customers' filled-up questionnaire, the sample size considered is very small. The results obtained may not be suitable as a whole having customers with different demographic profiles. So, there is scope for further study in this regard by considering more customers and also there are different types of beauty parlors which can be taken into consideration for comparative analysis.

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APPENDIX

Dear respondent,

You are requested by Sumi Azad, faculty of Department of Business Administration, Stamford University Bangladesh to fill-up the questionnaire about "Perception about service quality of Beauty parlor in Bangladesh" .All information will be kept confidential and used only for academic purpose.

Perceived benefits of going to Parlor in Bangladesh, where 1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly agree.

SL	Benefits	Perceived				
		1	2	3	4	5
A)						
1	Beauty parlor has modern looking equipment.					
2	Beauty parlor's physical facilities are visually appealing.					
3	Beauty parlor's reception desk employees are neat appearing.					
4	Materials associated with the service (such as pamphlets or statements) are visually appealing at Beauty parlor.					
B)						
5	When Beauty parlor promises to do something by a certain time, it does so.					
6	When you have a problem, Beauty parlor shows a sincere interest in solving it.					
7	Beauty parlor performs the service right the first time.					
8	Beauty parlor provides its service at the time it promises to do so.					
9	Beauty parlor insists on flawless performance.					
C)						
10	Employees in Beauty parlor tell you exactly when services will be performed.					
11	Employees in Beauty parlor give you prompt service.					
12	Employees in Beauty parlor are always willing to help you.					
13	Employees in Beauty parlor are never too busy to respond to your request.					
D)						
14	The behavior of employees in Beauty parlor instills confidence in you.					
15	You feel safe in deal with Beauty parlor.					
16	Employees in Beauty parlor consistently courteous with you.					
17	Employees in Beauty parlor have the knowledge to answer your questions.					
E)						
18	Beauty parlor gives you individual attention.					
19	Beauty parlor has operating hours convenient to all its customers.					
20	Beauty parlor has employees who give solution to your personal problems.					
21	Beauty parlor has your best interest at heart.					
22	The employees of Beauty parlor understand your specific needs.					

- What is your overall satisfaction level about the service quality of Beauty parlor in Bangladesh?
  - a) Very satisfied　　　b) Satisfied　　　c) Neutral　　　d) Dissatisfied
  - e) Very dissatisfied