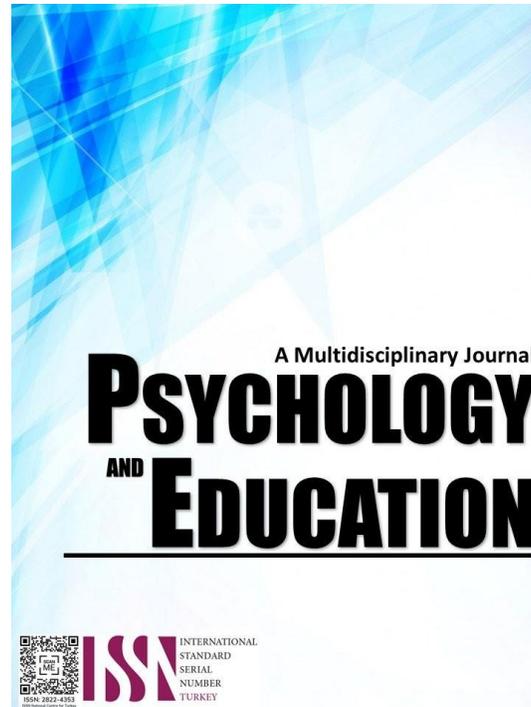


SERVICE QUALITY OF A PRIVATE APPLIANCE CENTER TOWARDS CUSTOMER SATISFACTION



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Service Quality of a Private Appliance Center towards Customer Satisfaction

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Abstract

This study investigates the crucial role of customer satisfaction in business success, emphasizing the need for enterprises to prioritize customer needs and desires to achieve long-term growth and repeat business. Utilizing a descriptive-survey research method, the study focuses on understanding the current satisfaction levels of customers with a company's service quality. The research sampled 100 customers from a population of 150 using Slovin's formula, ultimately analyzing 79 responses from those who had been customers for at least three years. The findings reveal that most respondents rated the company's service quality highly in areas such as reliability, assurance, tangibles, empathy, and responsiveness. However, there was notable dissatisfaction with the speed of service, product pricing, customer loyalty, and complaint resolution. A significant relationship between service quality and customer satisfaction was identified, with long payment processing times highlighted as a major issue. In response to these findings, the study recommends several strategies to enhance customer satisfaction: conducting training and workshops for employees to reinforce standard operating procedures, implementing an improved feedback management system, and introducing loyalty programs to boost repeat business. Additional recommendations include establishing a centralized customer service hotline, conducting regular evaluations of service speed, providing waiting areas for customers, offering monthly discount allowances, and increasing staff during peak and lean seasons. These measures aim to address the identified challenges and enhance the overall customer experience, ultimately contributing to the company's sustained success.

Keywords: *customer experience, service quality, customer satisfaction, private appliance center*

Introduction

The customer is the foundation of every business's success. They are the source of sales and income of enterprise. They spend their own money in buying products and services of the enterprise. They are vital part of every organization. Without them, no business will succeed. Thus, satisfying the needs and wants of customers is very important. Considering customer importance at all stages of the operation process helps company to ensure greater satisfaction and increase its long-term goal of repeat business.

According to blog of new voice media, good customer service is the lifeblood of any business and providing an experience that encourages happy customers and positive feedback to others will ensure both repeat custom and new business. Based on Investopedia, Customer Service is the process of ensuring customer satisfaction with a good or service, is one of the most important aspects of the customer relationship. Loyalty in the form of good reviews, referrals and future business can be lost or won based on good or bad customer service. Customer service has moved in recent years to real-time interactions that utilize automation, chats, social media, text and other means of communication.

Customer satisfaction plays an important role within almost any business. It serves as a metric in measuring the quality of service and product offered by the company. It is also an information that marketers and business owners need to create strategies on how to improve business performance from a customer perspective. Customer satisfaction can provide businesses with information to understand what aspects are successful and where improvements are to be made.

If companies don't care about their customer satisfaction, customer also don't buy products or services. They can stop doing repeat business. Companies don't gain customer's satisfaction forever, they need to look after them all from time to time. It's like a way of communicating to their customers. Happy customers won't look at competitor's offer if they will happily interact with the company. If the business meet all of their needs while delivering the best quality of service, they will be fully satisfied. That's why customer satisfaction is continually being studied by different types of service organization in order to measure company's performance based on the evaluation of their customers.

SM Appliance Center, operated by Star Appliance Center Inc., is a retail affiliate of SM Group that is focused on the marketing of home appliances in the Philippines. The SM Group is known to a lot of people as one of the largest conglomerates in the Philippines with extensive holdings in shopping malls, retailing, financial services and real estate development.

SM Appliance Center is the trade name of Star Appliance Center Inc. which was incorporated in 1991; and in a span of over twenty five years, it had been able to set up 69 outlets throughout the entire country. Their stores are normally located in SM shopping malls, SM Department Stores and other non-SM malls such as Rockwell, Harrison Plaza, Virra Mall and Mega Center in Cabanatuan.

Their initial foray into online store is meant to be the first step in electronic commerce. For the year 2014, they are expanding the delivery coverage of the online store from metro manila to the major cities in the Philippines. The online store accepts Visa and Mastercard credit cards. This payment mode will enable customers to shop for home appliances without leaving their homes and thus,

avoiding traffic jams and the crowd in the shopping malls.

But despite of these success, SM Appliance still encounter number of customer complaints. Upon browsing the website of complaints board, it found out that there are still numerous customer complaints when it comes to their service. Based upon the observation of researcher, common mistakes committed on service of SM Appliance are undelivered items, wrong tender of payment processed (one-time payment to installment plan and vice versa), wrong commitment of sales staff, defective items, unwanted debited transactions and warranty coverage issues.

Upon reading these articles and some company reviews from social media pages, the researcher conclude that there are still number of unsatisfied customers and want to conduct a study assessing the customer's satisfaction of the company and enhance its service quality.

Wikipedia defined customer satisfaction as a measure of how products and services supplied by a company meet or surpass customer expectation. It is also defined as the number of customers, or percentage of total customers, whose reported experience with a firm, its products or its services (ratings) exceeds specified satisfaction goals.

Through customer satisfaction company can measure the quality of their service. Service quality measures how well a service is delivered, compared to customers expectation. Business that meet or exceed expectations are considered to have high service quality.

Research Questions

This study aimed to assess the service quality of a private appliance center towards customer satisfaction. Specifically, it sought to answer the following questions:

1. What is the extent of the respondents assessment on the SERVQUAL dimension in a private appliance center in terms of:
 - 1.1. reliability;
 - 1.2. assurance;
 - 1.3. tangibles;
 - 1.4. empathy; and
 - 1.5. responsiveness?
2. How do the respondents assess the customer satisfaction of a private appliance center in terms of:
 - 2.1. speed of service;
 - 2.2. product quality;
 - 2.3. pricing issues;
 - 2.4. customer loyalty; and
 - 2.5. complaints?
3. Is there a significant relationship between the service quality and customer satisfaction?
4. What are the challenges encountered by the respondents of private appliance center?
5. Based on the findings, what action plan may be recommend in order to improve service quality and customer satisfaction?

Methodology

Research Design

This study used the descriptive-survey research method to attain its objectives. As defined by Calmorin (2016), descriptive method is a study that focuses on the present situation and its purpose is to find new truth. It is the suitable research design because the researcher is interested to know the extent to which different conditions and situations are obtained among subjects. The word survey signifies the gathering of data regarding the present conditions. A survey is useful in providing the value of facts and focusing attention on the most important things to be reported.

Respondents

The respondents of the study were the customers of the company. They are 100 customers taken from the sample size of 150 population using the Slovin's formula. The researcher chose incidental sampling technique to give equal chance to the respondents to answer the survey-questionnaire. After completing the 100 survey questionnaires, the researcher carefully selected answered survey questionnaires from those respondents who become customers of the company for three years and come up with a 79 total number of respondents.

Instrument

The instrument used in collecting data for this study is a survey questionnaire which was conducted by the researcher. It was divided into four parts. The first part was related to demographic profile of the respondents and the length of time they were being a customer of the company. The second part was the respondent's assessment on service quality in terms of reliability, assurance, tangibles, empathy and responsiveness. The third part was the respondent's assessment on customer satisfaction and the last part refers to the challenges encountered by the respondents.

Procedure

The researcher asked the permission of the company to conduct a study and distribute survey questionnaires to the respondents. The researcher conducted first a pilot testing of the survey before the final distribution of the survey questionnaire for the possible revision on some errors. The survey forms were distributed to 10 customers of the company for pilot testing. After the pilot testing and revisions, the researcher distributed the questionnaires to the respondents. They were asked to fill out forms and informed to return it right away.

In getting the sample size, the researcher used the Slovin's formula which is $n = \frac{N}{1 + Ne^2}$, where n stands for sample size, N stands for the total number of population and while e stands for the margin of error. The researcher used 5% as a margin of error. The data collected was tabulated and analyzed. Data analysis is guided by Mean and Percentage.

As a result, the researcher came up with 100 respondents out of 150 total number of population which is the estimated total number of customers in the store every weekdays.

The respondents was selected through incidental sampling technique. This type of sampling technique was applied to those samples which are taken because they are the most available. The researcher simply took the nearest individuals as subject of the study until the sample reached the desired size (Calmorin, 2016). After completing the sample size, the researcher chose the respondents whose became customer of the company for 3 years and above to be a respondents of this study.

Data Analysis

The information gathered was tabulated and processed manually and utilized the computer to determine the precise interpretation of the results. Matrix tables was made to organize, summarize and analyze the data gathered for easy determination of the relationship from each other.

Data was calculated, tabulated and analyzed. The following statistical tools was used in the analysis of data. Descriptive statistics was used in order to illustrate the different characteristics of the respondents.

Frequency distribution and percentage was used to determine the personal attributes and profile of the respondents.

Weighted Mean was used to determine the assessment of the respondents on service quality in terms of reliability, assurance, tangibles, empathy and responsiveness. It is also used for the determination of the level of customer satisfaction in terms of speed of service, product quality, pricing issues, customer loyalty and complaints. Moreover, it was also the statistical treatment used in the determination of the most frequent problem encountered by the respondents.

Pearson Product-Moment Correlation Coefficient was the statistical tool used to determine the relationship between service quality and customer satisfaction.

Results and Discussion

This section presents, analyzes and interprets the data gathered out of the instruments used in the study presented according to specific problems. This is the reproduction of the research problems by way straight presentation of results in relation to research hypothesis and research questions. The presentation of findings was based on each of the problem.

The Extent of the Respondent's Assessment on a SERVQUAL Dimension

These tables represent the extent of the respondent's assessment on a SERVQUAL Dimension in terms of Reliability, Assurance, Tangibles, Empathy and Responsiveness. The 79 respondents were asked to rate the service quality of the company using the four point Likert scale. In order to measure the service quality the researcher provided a list of statement and asked all of the respondents to rate the given questions. This will serve as the basis for concluding the results on the assessment of the respondents on service quality of a private appliance center.

Service Quality of a Private Appliance Center in terms of Reliability

Table 1. Assessment of the Respondents on SERVQUAL Dimension in terms of Reliability

<i>Reliability</i>	<i>Weighted Mean</i>	<i>Verbal Interpretation</i>
1. The company responds to inquiry within the timeframe	2.98	Great Extent
2. The company has accurate data records.	3.03	Great Extent
3. The company delivers the service at time promised.	2.68	Great Extent
4. The company reassures when problem arises.	2.54	Great Extent
5. The company perform the service right the first time.	2.97	Great Extent
Overall Mean	2.84	Great Extent

Table 1 shows the assessment of the respondents on SERVQUAL Dimension in terms of product quality. The item number 2; the company has accurate data records, got a high rating with a weighted mean of 3.03 and interpretation of great extent. It is followed by item number 1; the company responds to inquiry within the timeframe with a weighted mean of 2.98 and item number 5; the company perform the service right the first time with a weighted mean of 2.97 and with verbal interpretation of great extent. However, item

number 4; the company reassures when problem arises got the lowest rating with a weighted mean of 2.97 and interpretation of great extent.

As stated by Oakland (2011), a part of the acceptability of a product or service will depend on its ability to function satisfactorily over a period of time, and it is in this aspect of performance that is given the name reliability. It is the ability of the product or service to meet the customer's requirements. Reliability ranks with quality in importance, since it is a key factor in many purchasing decisions where alternatives are being considered.

Service Quality of a Private Appliance Center in terms of Assurance

Table 2. Assessment of the Respondents on SERVQUAL Dimension in terms of Assurance

Assurance	Weighted Mean	Verbal Interpretation
1. The company's staffs are polite and trustworthy.	2.91	Great Extent
2. The company's customer feels safe in dealings.	3.05	Great Extent
3. The company is assuring confidentiality of customer's information.	2.78	Great Extent
4. The company's staffs have knowledge to answer customer's question.	2.69	Great Extent
5. The company's staff instill confidence in customers.	2.77	Great Extent
Overall Mean	2.84	Great Extent

Table 2 reveals the assessment of the respondents on SERVQUAL Dimension in terms of Assurance. Item number 2, The company's customers feel safe in dealings, got the highest weighted mean of 3.05, followed by item number 1, The company's staff are polite and trustworthy with a weighted mean of 2.91 and interpretation to great extent. Item number 4, The company's staffs have the knowledge to answer customer's questions, and item number 5, The company's staff instills confidence in customers, got a weighted mean of 2.69 and 2.77, respectively. The overall assessment of respondents on service quality in terms of assurance got a mean of 2.84 with great extent interpretation.

As shown by Thuy (2014), assurance is the element that makes up credibility; trust is perceived by customers through professional service, excellent knowledge of professionalism, courteous manner, and good communication skills so that customers feel peace of mind every time they use the service. The factor says the ability to provide services accurately, on time and reputation. This requires consistency in implementing services and respecting commitments and keeping our promises to customers. The true measure of success is when the company has the ability to continually satisfy its customers through products and services but also the assurance of giving the quality they deserve.

Service Quality of a Private Appliance Center in terms of Tangibles

Table 3. Assessment of the Respondents on SERVQUAL Dimension in terms of Tangibles

Tangibles	Weighted Mean	Verbal Interpretation
1. The company has up-to-date equipment.	2.76	Great Extent
2. The company has visually appealing facilities.	3.0	Great Extent
3. The company has well-dress employees.	3.03	Great Extent
4. The company's cleanliness is always maintained.	3.03	Great Extent
5. The company provides comfortable place for waiting area.	2.20	Less Extent
Overall Mean	2.80	Great Extent

Table 3 depicts the assessment of the respondents on Service Quality in terms of Tangibles. Both item number 3 and 4; The company has well-dress employees and The company's cleanliness is always maintained got the highest mean of 3.03 with the interpretation of great extent. Item number 1 and 2 have a weighted mean of 2.76 and 3.0 respectively. However, only item number 5; The company provides comfortable place for waiting area got the lowest mean of 2.20 and with an interpretation of less extent. Despite of this, the overall mean of assessment of respondents in service quality in terms of tangibles is 2.80 with an interpretation of great extent.

Sriram (2014) illustrated that proper layout in a store will reduce shopper's search time, color combine with lighting were suggested to affect consumers cognitive representation and affective reaction, and a light and pleasing scent affects shopper's perceptions of a shopping environment in which the latter will have a significant effect on shopper's mood.

Service Quality of a Private Appliance Center in terms of Empathy

Table 4. Assessment of the Respondents on SERVQUAL Dimension in terms of Empathy

Empathy	Weighted Mean	Verbal Interpretation
1. The company's staff provides individualized attention.	2.49	Less Extent
2. The company's staff understands customer needs.	2.91	Great Extent
3. The company operates at convenient hours.	3.0	Great Extent
4. The company have customer's best interest.	2.58	Great Extent
5. The company has fair treatment for all customers and never observe any discrimination	2.06	Less Extent
Overall Mean	2.61	Great Extent



Table 4 shows the assessment of the respondents on Service Quality in terms of Empathy. Item number 3; The company operates at convenient hours, got the highest mean of 3.0 with the interpretation of great extent. It is followed by item 2 and number 4 with the weighted mean of 2.91 and 2.58 respectively. Item number 5 which state that the company has fair treatment for all customers and never observe any discrimination got the lowest mean of 2.06 with the interpretation of less extent. The overall mean for the assessment of respondents in service quality in terms of empathy got 2.61 with the interpretation of great extent.

According to Thuy (2014), empathy is concern, caring customer service, for customer’s attentive treatment best possible. Providing individual attention helps customers feel as important part of the company and always be warmly welcomed everywhere. Human factors is the core make this success and the interest of the company to the customer as much sympathy will increase. If customer feel that they are important to your business, they will surely stay and become loyal customers. If not, they may feel uncomfortable and may think that the company have no good treatment for all their customers which may lead to low sales and low income of the company.

Every company should consider empathy for customer as one of the factors that will contribute for the success of the business. Even if how much big or small they buy, the company should be fair and treat them without any discrimination.

Service Quality of a Private Appliance Center in terms of Responsiveness

Table 5. Assessment of the Respondents on SERVQUAL Dimension in terms of Responsiveness

<i>Responsiveness</i>	<i>Weighted Mean</i>	<i>Verbal Interpretation</i>
1. The company provides prompt service.	2.41	Less Extent
2. The company informs customer when service will occur.	2.82	Great Extent
3. The company staffs respond to customer’s request.	2.36	Less Extent
4. The company is always willing to help the customers.	2.58	Great Extent
5. The company’s staffs are patient in listening and attending to customer’s need.	2.69	Great Extent
Overall Mean	2.57	Great Extent

Table 5 displays the assessment of the respondents on Service Quality in terms of Responsiveness. The highest weighted mean is the item number 2 with mean of 2.82 and interpretation of great extent, which states that the company informs customer when service will occur. However, item number 1 which states that the company provides prompt service only got 2.41 with the interpretation of less extent. This is same with item number 3 which states that the company staffs respond to customers request got the lowest mean with 2.36 and interpretation of less extent. The overall mean for the assessment of respondents in terms of responsiveness got 2.57 with the interpretation of great extent.

Based on the findings of Komunda and Osarenkhoe (2012), it shows that the interaction of employee responsiveness and courtesy can also have a positive impact on consumer evaluations and may affect their satisfaction.

Table 6. Overall Assessment of Service Quality

<i>Service Quality</i>	<i>Weighted Mean</i>	<i>Verbal Interpretation</i>
1. Reliability	2.84	Great Extent
2. Assurance	2.84	Great Extent
3. Tangibles	2.80	Great Extent
4. Empathy	2.61	Great Extent
5. Responsiveness	2.57	Great Extent
Overall Mean	2.73	Great Extent

Table 6 shows the overall assessment of the respondents on Service Quality in terms of Reliability, Assurance, Tangibles, Empathy and Responsiveness. Reliability resulted to a weighted mean of 2.84, Assurance 2.84, Tangibles 2.80, Empathy 2.61 and Responsiveness 2.57. The overall assessment of the respondents on Service Quality of a private appliance center resulted to 2.73 with an interpretation of great extent.

Service quality, as cited by Guterman (2015), is one of the most important factors of success for each service industry, whether retail stores, banks, restaurants, hotels and others. A high level of service quality results in the increase in the number of loyal customers, creates a favorable image of the company that, in turn, leads to the increase in the financial performance.

Service quality is an important measure in determining consumer satisfaction and impacting re-patronage (Keith and Simmers 2011). It indicates that through the provision of quality services, customer satisfaction is enhanced, resulting in stronger attitudinal attachment to the provider and increased use. In the study of Hyung Seok Lee (2013) revealed that service quality and customer satisfaction positively affect customer loyalty (Arab, Tabatabaei, Rashidian, Forushani & E Zarei 2012).

Customer Satisfaction of a Private Appliance Center

These tables represent the customer satisfaction of a private appliance center in terms of Speed of Service, Product Quality, Pricing Issues, Customer Loyalty and Complaints.

Customer Satisfaction of a Private Appliance Center in terms of Speed of Service

Table 7 displays the assessment of the respondents on Customer Satisfaction in terms of Speed of Service. The item number 5 which states the company staff finish the transaction accurately have a highest mean of 2.67 with the interpretation of agree. It is followed by item number 1: The company staff checks the availability of items quickly with a weighted mean of 2.62 and interpretation of agree. Nonetheless, items number 2, 3 and 4 which states that the company staff process the payment at desired time, the company deliver the ordered items on time and the company process the refund and replace transaction at desired time shows a weighted mean of 2.48, 2.29 and 2.28 respectively. These three statements have same interpretation of disagree. Still, the overall weighted mean for the assessment of the respondents on customer satisfaction in terms of speed of service is 2.47 with the interpretation of disagree.

Table 7. Assessment on Customer Satisfaction in terms of Speed of Service

<i>Speed of Service</i>	<i>Weighted Mean</i>	<i>Verbal Interpretation</i>
1. The company's staff checks availability of items quickly.	2.62	Agree
2. The company's staff process the payment for product at desired time.	2.48	Disagree
3. The company deliver the ordered items on time.	2.29	Disagree
4. The company process the refund and replacement transaction at desired time.	2.28	Disagree
5. The company staff finish the transaction accurately.	2.67	Agree
Overall Mean	2.47	Disagree

In the study of Parsa (2013) et al., customers were more concern on the speed of service rather than product alone. Managers should focus on giving greater value on the system of the business including training staff that will result to speed of service. Customer nowadays look after the speed of service the staff is rendering. This is also one of the factors that contribute to their satisfaction. Thus, the company should trained the staff in order to utilize expertise in job. This may lead to fast and accurate service for the customers which may result to higher number of loyal customers and higher sales of the company.

Customer Satisfaction of a Private Appliance Center in terms of Product Quality

Table 8. Assessment on Customer Satisfaction in terms of Product Quality

<i>Product Quality</i>	<i>Weighted Mean</i>	<i>Verbal Interpretation</i>
1. The company's product is well designed and work well.	2.68	Agree
2. The company offers certified safety products.	2.90	Agree
3. The company's product is demonstrated and tested by the staff.	2.89	Agree
4. The company provides a warranty coverage for the item purchased.	2.89	Agree
5. The company's product remain operational for a longer time period.	2.66	Agree
Overall Mean	2.80	Agree

Table 8 indicates the assessment of the respondents on Customer Satisfaction in terms of Product Quality. Item number 2 which states that the company offers certified safety products have a highest weighted mean of 2.90 and with an interpretation of agree. It is followed by item number 3 and 4 which states that the company's product is demonstrated and tested by the staff and the company provides a warranty coverage for the item purchased have a same weighted mean of 2.89 and both have interpretation of agree. The item number 5 which states that the company's product remain operational for a longer time period got a lowest mean of 2.66 but with an interpretation of agree. In summary, the overall assessment of the respondents on customer satisfaction in terms of product quality resulted a weighted mean of 2.80 with an interpretation of agree.

According to Hague and Hague (2016), the product and its features, functions, reliability, sales activity and customer support are the most important topics required to meet or exceed the satisfaction of the customers. Satisfied customers usually rebound and buy more. Besides buying more they also work as a network to reach other potential customers by sharing experiences.

As pointed out by Noe (2008), companies' customer judge quality and performance. As a result, customer excellence requires attention to product and service as well as to interactions with customers. Customer-driven excellence includes understanding what the customer wants and anticipating future needs. Customer-driven excellence includes reducing defects and errors, meeting specifications and reducing complaints. How the company recovers from defects and errors is also important for retaining and attracting customers.

As interpret by Hasty and Reardon (2014), concerns for the safety of consumer places an increasing burden on both manufacturers and retailers. Firms are being forced to find ways of increasing the safety of their products and of giving warning of dangers involved in using them. Retailers have a specific responsibility to monitor the safety of the product they sell. They have a duty to warn consumers whenever they have knowledge on product's dangerous condition and when it appears likely that consumers may not discover the danger for themselves. Retailers may be liable for injuries caused by defective products.

Customer Satisfaction of a Private Appliance Center in terms of Pricing Issues

Table 9 reveals the assessment of the respondents on customer Satisfaction in terms of Pricing Issues. The item number 3 that states that the company offers different mode of payment for the product resulted a weighted mean of 2.68 with an interpretation of agree. In opposite to this, items number 1, 2, 4 and 5 all both resulted to an interpretation of disagree. These number states that the company offers product with cheaper price than competitors with a mean of 1.87, the company's product has reasonable price with weighted

mean of 2.13, the company's product is affordable and have wide variety of choices with the mean of 2.25 and the company gives additional discount for the product with a mean of 2.15.

The overall assessment of the respondents on customer satisfaction in terms of pricing issues got a weighted mean of 2.22 with an interpretation of disagree.

Table 9. *Assessment on Customer Satisfaction in terms of Pricing Issues*

<i>Pricing Issues</i>	<i>Weighted Mean</i>	<i>Verbal Interpretation</i>
1. The company offers product with cheaper price than competitors.	1.87	Disagree
2. The company's product has reasonable price.	2.13	Disagree
3. The company offers different mode of payment for the product.	2.68	Agree
4. The company's product is affordable and have wide variety of choices.	2.25	Disagree
5. The company gives additional discount for the product.	2.15	Disagree
Overall Mean	2.22	Disagree

Based on the study conducted by Razak (2016), found that the product quality improvement and the competitive price could increase customer satisfaction. Logical consequences when the customer is satisfied with the reliable product that emphasizes a standardized quality followed with an affordable price can increase the customer satisfaction, it appears in the interest of the buyers to re-purchase over and over again. Customers tend to check whether the price of the product is worth it for the quality. If the quality of the product is poor, customer think that the value they received for their money spent for the product is not enough. This will sometimes resulted to customer complaints. Therefore, the company should offer competitive prices of the product together with quality of product for the best satisfaction of their consumers.

Customer Satisfaction of a Private Appliance Center in terms of Customer Loyalty

Table 10. *Assessment on Customer Satisfaction in terms of Customer Loyalty*

<i>Customer Loyalty</i>	<i>Weighted Mean</i>	<i>Verbal Interpretation</i>
1. The company gives perks and privileges to loyal customers.	2.32	Disagree
2. The company is highly recommended to friends, family etc.	2.56	Agree
3. The company gives notifications and updates to loyal customers.	2.36	Disagree
4. The company has existing program and promotion for the loyal customers.	2.24	Disagree
5. The company is more accessible than any store.	2.62	Agree
Overall Mean	2.42	Disagree

Table 10 shows the assessment of the respondents on Customer Satisfaction in terms of Customer Loyalty. The item number 5 that states that the company is more accessible than any store resulted a mean of 2.62 with an interpretation of agree. It is followed by the item number 2 which states that the company is highly recommended to friends and family with a weighted mean of 2.56 and interpretation of agree. However, items number 1, 3 and 4 got a mean of 2.32, 2.36 and 2.24 respectively. These items stated that the company gives perks and privileges to loyal customers, the company gives notifications and updates to loyal customers and the company has existing program and promotion for the loyal customers. These items are all resulted to an interpretation of disagree. In summary, the overall assessment of the respondents on customer satisfaction in terms of customer loyalty resulted with 2.42 mean and interpretation of disagree.

Customer loyalty as described by Heskett (2011), is another important factor in customer satisfaction. The impact of the satisfaction in loyalty has been the most popular subject in study of the marketing theory. Therefore, several studies have proved that satisfaction and loyalty have the direct connection between one another. As satisfied customers are loyal and dissatisfied customers are a vendor.

Today, in order to maintain a relationship with a customer, "Customers are always right" trend has been highly given importance (Khadka & Maharjan 2017). The companies who have implemented the idea of customer relationship management are the most successful ones regardless of their business field. Therefore, managing customer relationships and relationships with other parties require a service oriented culture. Studies shows that company with good customer relationship also have a large number of loyal customers (Kumar and Petersen 2012).

Customer Satisfaction of a Private Appliance Center in terms of Complaints

Table 11. *Assessment on Customer Satisfaction in terms of Complaints*

<i>Complaints</i>	<i>Weighted Mean</i>	<i>Verbal Interpretation</i>
1. The company's staffs are all prompt and attentive to all concerns.	2.70	Agree
2. The company's staff solves the complaints at desired time.	2.28	Disagree
3. The company's customer does not have any difficulty in finding out how to complain.	2.18	Disagree
4. The company provides an easy process for the refund and replace transactions.	2.28	Disagree
5. The company's staff knows how to handle customer complaints.	2.16	Disagree
Overall Mean	2.32	Disagree



Table 11 shows the assessment of the respondents on Customer Satisfaction in terms of Complaints. The item number 1 that states that the company’s staff are all prompt and attentive to all complaints resulted to a mean of 2.70 and an interpretation of agree. Items number 2, 3, 4 and 5 resulted to a weighted mean of 2.28, 2.18, 2.28 and 2.16 respectively and both have an interpretation of disagree. The overall assessment of the respondents on customer satisfaction in terms of complaints is disagree.

Customers as discussed by Sriram (2014), were quite sensitive to how service providers attend to problems and complaints. The ease of returning and exchanging merchandise is very important to retail customers. The higher customers appreciate problem solving, the higher overall evaluation of retail service quality is.

Table 12. Overall Assessment of Customer Satisfaction

Customer Satisfaction	Weighted Mean	Verbal Interpretation
1. Speed of Service	2.47	Disagree
2. Product Quality	2.80	Agree
3. Pricing Issues	2.22	Disagree
4. Customer Loyalty	2.42	Disagree
5. Complaints	2.32	Disagree
Overall Mean	2.45	Disagree

Table 12 reveals the overall assessment of the respondents on Customer Satisfaction in terms of Speed of Service, Product Quality, Pricing Issues, Customer Loyalty and Complaints. Speed of service resulted to a weighted mean of 2.47, Product Quality 2.80, Pricing Issues 2.22, Customer Loyalty 2.42 and Complaints 2.32. The overall assessment of the respondents on Customer Satisfaction of a private appliance center resulted to 2.45 with an interpretation of disagree.

Service failures as assessed by Sewell & Marriot (2013), can also occur for a combination of four basic reasons. It includes service product failures, failure to meet explicit or implicit customer request, failures caused by employee actions or inactions and failure caused by other customer, random events or circumstances beyond the control of the organization.

Customer satisfaction as criticized by Canlapan (2013), should not only be focused on the customers only but also to other areas that affects or influences the satisfaction that customers will experience. Specifically, this will be possible with the efforts of their employees. Employees, like the customers are as important in the process that is why they should also be taken into consideration because they have significant effects on customer satisfaction.

Once that the company met the needs and expectations of the customers, as evaluated by Sabio (2003), specifically along customer services garnered a high satisfaction rating. The perceived strong organizational factors affecting customer satisfaction were manpower, facilities and company structure; likewise, there was a close association of the environmental factors along competition, technology and customer awareness with customer satisfaction as perceived by the respondents.

Relationship Between Service Quality and Customer Satisfaction

Table 13. Relationship between Service Quality and Customer Satisfaction

		Correlations	
		Service Quality	Customer Satisfaction
Service Quality	Pearson Correlation	1	.424
	N	79	79
Customer Satisfaction	Pearson Correlation	.424	1
	N	79	79

Table 13 shows the relationship between Service Quality and Customer Satisfaction through the use of Pearson Product Moment Correlation Coefficient. The r coefficient resulted to 0.424142087 or 0.42 which indicates therefore, that there is a positive moderate correlation between the results of the assessment on service quality and customer satisfaction obtained by the 79 respondents. Therefore, there is a relationship between service quality and customer satisfaction. This means that when customer experience good service quality, they also experience customer satisfaction. Thus, the null hypothesis which stated that there is no significant relationship between the service quality and customer satisfaction is rejected.

The result of the study is the same with the result of Canlapan (2013) which concluded that there is a positive relationship between satisfaction and service quality. Customer satisfaction can be achieve when a company is exhibiting positive service quality.

Problems Encountered by The Respondents

Table 14 shows the ranking of the problems encountered by the respondents. This shows that the number one problem of the customer of the private appliance center is long lines in counter for payment processing, followed by the availability of the chosen item. Next

problem is the staffs are unaware of existing promotions followed by missing items or part of the item. The fifth in the rank is the defective item.

Discrepancies between customer order and what deliver is the problem in the rank six, followed by debited transactions which is in the rank number 7. Wrong mode of payment processed whether from straight payment to deferred payment or vice versa is the rank number eight and followed by wrong mode of release of the item whether from delivery to pick-up or vice versa. The last in the rank when it comes to challenges encountered by the respondents is the fraudulent transactions.

Table 14. *Problems encountered by the Respondents*

<i>Problems Encountered by the Respondents</i>	<i>Mean</i>	<i>Rank</i>
Long lines in counter for payment processing.	7.38	1
No available stock on chosen item.	6.73	2
The staffs are unaware of existing promotions.	6.69	3
Missing items or part of the item.	6.27	4
The item is defective.	5.63	5
Delivered item is different from what ordered.	4.43	6
Debited transaction (Both ATM and Credit Card)	4.10	7
Wrong mode of payment processed when using credit card. (From one-time payment to installment or vice versa)	3.84	8
Wrong mode of release for item. (From delivery to pick-up or vice versa)	2.66	9
Encountered fraudulent transaction after using card as payment in the store.	2.48	10

Conclusions

Based on the findings of the study, several conclusions were drawn regarding the service quality and customer satisfaction at the company. The majority of respondents rated the service quality in terms of reliability, assurance, tangibles, empathy, and responsiveness as being of great extent. However, customer satisfaction in specific areas such as speed of service, product pricing, customer loyalty, and complaint response was generally rated negatively. Many respondents disagreed that the company provided swift service, affordable products, fostered customer loyalty, or adequately addressed complaints. Furthermore, a significant relationship was found between service quality and customer satisfaction among the respondents. One of the most commonly cited challenges by customers was the presence of long lines at the payment counters.

In light of these findings, several recommendations are proposed. First, each department should undergo training and workshops to review and reinforce standard operating procedures, serving as a refresher course for employees. Secondly, feedback management should be improved to ensure timely and accurate responses to customers, monitored by the stores' customer service. Additionally, the implementation of loyalty programs, such as a purchase booklet that rewards customers with a free item after collecting a certain number of stickers, could enhance customer loyalty and boost sales.

Moreover, the study suggests establishing a centralized customer service hotline to streamline customer inquiries and complaints. A Time in Motion Evaluation should be conducted monthly by supervisors or managers to audit the speed of service, ensuring efficiency in operations. The provision of waiting areas with chairs is also recommended to improve customer comfort during wait times, making them feel valued. A monthly discount allowance per branch is proposed, offering customers additional discounts when requested, to reinforce the company's commitment to customer satisfaction. Finally, increasing staff headcount during peak and lean seasons would allow for more personalized customer attention and better service.

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